



TRANSPARENCY REPORT 2019

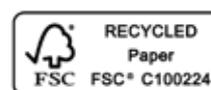
A CONSCIOUS
DESIGN JOURNEY

ELK

INSIDE AND OUT
END TO END



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FROM OUR FOUNDERS

"We see it as our responsibility to work with integrity, transparency and honesty. Our journey is not finite. It will continue on as an ever-changing quest for improvement and reduced impact."

In 2014, after visiting one of our suppliers, we started to question the depth of our consciousness. They ran a simple operation with generally good intentions but there were so many things that did not sit well with us. Despite spending time working with them and challenging them on things such as waste management, and material and chemical use, they would not, and could not see the need for change. So we moved on and started to rethink the relationship we have with our entire supply chain and delve into how they run their businesses from tier one to tier four and beyond.

ELK has been a labour of love over a fifteen-year period. Driven by a passion for great design, it was founded on ethical principles and the premise of creating a stable business that would provide opportunity for all those who worked with us. We are family owned and operated and our workplace is an environment where children and dogs are frequent visitors.

We have remained true to our founding philosophy and strive always to live and work consciously. But over this time we have also evolved. Time and life experience has opened our minds and our eyes.

We have broadened our horizons, travelled to parts of the globe we never thought we would and met people that have changed our world. We see beyond the walls of our studio in Melbourne into the workshops and onto the factory floors of those very people that make for us. We have witnessed a way of life that is so completely different to our western ways and of the impact that our business has on communities and the environment.

Five years ago the topic of sustainability in fashion was relatively new and the task of researching solutions was extremely difficult. Information was thin on the ground, often conflicting and almost impossible to navigate. There were so many experts and yet no guides on how to make a fashion business sustainable.

So we journeyed alone for some time and the more we learnt, investigated and probed for information, the greater our awakening. We opened a door to a topic that we could not close. The task to redesign not only our product but our whole business had begun.

This evolution has seen us change the way we consider our business and our industry. We now look at everything through a different lens. Five years on and the sustainable fashion movement has transformed into a collaborative, sharing environment.

Today we are committed to reducing the impact that ELK has on the planet in every way. We see it as our responsibility to work with integrity, transparency and honesty. Our journey is not finite. It will continue on as an ever-changing quest for improvement and reduced impact.

We continue to seek better alternatives for fibres, production and distribution, circular solutions and waste. We see it as our responsibility to make all decisions for ELK with sustainability at front of mind and welcome collaboration in trying to find better ways. The reality is that we still have a long way to go.

Our fear of criticism and admitting that we are not perfect has been the major hurdle in sharing our journey. We have made many great changes, and realise now that not communicating anything is the wrong decision, and can lead to misguided assumptions.

We are not following a trend — we are on this journey as much because we want to be, as because we have to be. We are part of a greater movement that will create change. Through demand and awareness we are making waves, shifting conventions and spreading the word that the way we make our products and the way we consume has to change.

We thank you for joining us on our journey, for helping to create the demand that will initiate change, for questioning and sharing and most importantly for caring.

Marnie Goding and Adam Koniaras
ELK Co-founders





IMAGE: Cutting pangtoon timber

DIVING IN



THE ELK STORY

IMAGE: The ELK team selecting colours



A pioneer of independent Australian design, ELK was founded by husband and wife Marnie Goding and Adam Koniaras in 2004 in Melbourne, Australia.

The ELK aesthetic holds a unique place within the Australian fashion landscape. With a highly considered approach to design, ELK collections resonate with their global audience in over 10 countries through a level of product refinement, range curation and intellect that is innately their own. The ELK customer has always embraced slow fashion, and shops for investment pieces that build on their existing wardrobe.

Sculptural accessories, hand-made leather and ready-to-wear collections define an artful vision while their commitment to ethical and environmental practices has positioned them as a leader in the practice of responsible innovation for the fashion industry.

Founded on a belief in creativity, innovative design and an authentic approach where people are at the heart of every decision, Creative Director Marnie Goding's passion for design and independent, ethically sourced fashion has created a brand of enduring value.

ELK creates bi-annual collections that are informed by a design ethos where simplicity and sustainability meets innovation. The creative team rely on the understanding that great design need not be complicated and it is within this intersection of refined simplicity that ELK

has found their much loved aesthetic and continues to inform the ongoing brand direction.

Seasonal collections typically lean towards natural hues and use fine quality raw materials sourced from all over the world. ELK also adopts an unwavering commitment to working with independent manufacturers across the globe whose traditional skills and techniques guarantee authentic, high quality execution of their collections.

As a family owned and operated business, there is a great respect for people who work within and for the business. Transparency and honesty are fundamental values upheld across the entire supply chain. Likewise is the awareness around the impact that ELK has on the people, communities and environment they work in.

ELK has emerged as a leader in the industry as a brand at the forefront of positive change and is the first of its size to release an in depth transparency report. With four years of research and training, a dedicated team and active industry participation there are few other Australian labels with the depth of knowledge or all encompassing commitment to redesigning their business.

The brand is on a journey to create great Australian design for a growing global audience, to share the story of a business in transformation, to innovate and to challenge traditional thinking for a better way to make and work in the world of fashion.

INSIDE AND OUT END TO END



IMAGE: Silk production

WHAT IS A TRANSPARENCY REPORT?

A transparency report is a comprehensive review of where, who and how we make our products. It details information about our factories, the people who work with us and the materials we use. It also details the social and environmental impacts of our business operations.

It openly explains how we operate as a fashion business and highlights our ethical and environmental journey.

The report looks at our internal operations, our people and the culture that makes ELK a unique Australian brand. It serves as a public statement around our commitment to running a business with transparency, honesty and integrity.

WHY ARE WE DOING A TRANSPARENCY REPORT?

We are committed to making positive change and to finding solutions for a better way to make fashion. This report gives us a way to tell you about the past four years of research, planning and changes that we have implemented and about our plans for the future. Without compromise, we are accountable for what we make.

We live in a time of mass consumerism and in an era where the creation of waste and pollution has far exceeded solutions for dealing with the output. Whilst on the surface little appears to have changed at ELK, behind the scenes there has been a movement to reassess every part of the way we run our business and to determine the impact that we make. By creating this report and by being transparent, you can see the areas where we are kicking goals, but just as importantly, the areas that we need to improve. This report provides us with a platform to scrutinize everything we do, outline our goals, and refer back to during our journey.

This is our first transparency report. We know there is still a lot of work to be done and we are busily striving to fill in the blanks and improve every aspect of our business. In the meantime, we are proud to share where we are at and what we are working towards, and we really want you to be on the journey with us.

FROM OUR ETHICS AND SUSTAINABILITY COORDINATOR

“Business as usual is not an option if we want to address these significant social and environmental challenges. And we need to act quickly.”

The evidence is clear. The fashion industry in its current format is not sustainable. Textile production contributes significantly to climate change, consumes large volumes of water, and creates pollution with devastating impacts on local ecosystems and communities. On average clothes are worn very few times before they end up in landfill. The industry employs hundreds of millions of people around the globe, but many do this work in unsafe environments for low wages with little or no protection or representation.

Business as usual is not an option if we want to address these significant social and environmental challenges. And we need to act quickly. The Intergovernmental Panel on Climate Change (IPCC) Special Report published last year has highlighted this urgency, with only 11 years remaining to take the urgent actions needed to keep global temperature increases within the 1.5°C limit and avoid the worst impacts of climate change.

As an industry, we need to shift away from the existing linear model of take, make and dispose towards a more circular model, one where waste is designed out, clothes are worn for longer and materials are recycled back into new textiles at the end of their lifecycle. We need to rethink waste, to value it and keep it out of landfill. We need to address human rights abuses and ensure that workers are provided safe, inclusive work for a fair wage. With women making up two-thirds of workers in the textile industry, we have an opportunity to make significant progress in the area of gender equality. This needs to be an industry-wide effort, and collaborations and partnerships will be essential for creating positive change.

ELK has started on this journey, and we are very proud to be sharing it with you through our first transparency report. We wanted to share our strategy and goals, celebrate our achievements, communicate challenges and provide a roadmap for next steps. We realised that we needed to start talking about what we were doing, to use our voice to advocate for change and to lead by example. We are starting to measure our impacts, both positive and negative, and will use these baseline measurements to report on our progress in subsequent reports. There are some gaps in the data, and we will be working to fill these over the coming year.

The topics in this report reflect the priority areas targeted in our strategy. We are focusing on our biggest impacts and implementing initiatives where we have the greatest ability to make change. We recognise that the biggest impacts occur in our supply chains and we are working to reduce this footprint, but the quickest wins are coming from the changes that we are making within our own business. This requires a redesign of our entire business, and new ways of thinking by everyone who works at ELK. We have set timelines against some of our next steps, but not all of them yet. We are still researching options and best practice and refining our strategy, and we will update our timelines as we go.

We hope you find this report valuable, and we look forward to sharing our progress in future reports.

Erika Martin
Ethics and Sustainability Coordinator



ETHICAL + ENVIRONMENTAL MISSION



To create products responsibly that are good for people and our planet. To support traditional trades and a circular economy whilst ensuring the creation of safe, fair and inclusive work.

To operate ethically and transparently, minimise our environmental footprint and promote positive social practices.

2025 GOALS



ENVIRONMENT

ELK will operate with the smallest environmental footprint possible, and become a carbon neutral and zero-waste business.

We understand as a business and as individuals we have an impact on the environment, and we are working hard to minimise our environmental footprint.

We are working towards our goal of becoming a carbon neutral, zero-waste business by following the principles of refuse, reduce, reuse and recycle.

We are improving our energy efficiency, investing in renewable energy and offsetting unavoidable carbon emissions.

We are eliminating waste from our business, especially single-use plastics. Our aim is that nothing from our business goes to landfill.

We are redesigning our packaging, printing and ticketing to use more environmentally sustainable materials, removing anything that is unnecessary, and ensuring they can be reused, recycled or composted.



COMMUNITY

ELK will continue to give back to local and global communities and create positive change by increasing our support of not-for-profit organisations and local community groups.

Our philosophy is to ensure our business has a positive social impact. We will continue to partner with a range of local and international organisations supporting women, children, families, communities and the environment.

We will continue to build on existing and seek new partnerships to further opportunities and create added value ensuring ongoing and sustained support.



PRODUCTS

All ELK products will be made with recycled or certified sustainable materials, with full supply chain traceability and total consideration for reducing production waste and end-of-use impacts.

We understand our choice of materials has a significant influence on the footprint of our products.

Our aim is to source the most ethically made and environmentally sustainable materials possible which will be certified, recycled, recyclable or compostable.

We will support regenerative farming practices and conserve ancient and endangered forests through our materials choices and our commitment to broader industry initiatives.

Our products will incorporate circular design principals for long life, minimal waste, repair and recyclability. We will take responsibility for our products throughout all stages of their life cycle.

We will map our material supply chains right back to the raw materials, and commit to being open and transparent about who, where and how our products are made.



MAKERS

All ELK suppliers will have credible social and environmental certifications, be fully compliant with the ELK Supplier Code of Conduct and operate ethically and transparently.

Ethical production is at the heart of ELK. We have an unwavering commitment to collaborating with a mix of independent suppliers and smaller artisan makers around the globe.

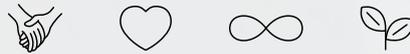
We will ensure responsible labour and human rights practices in our factories, supported by our code of conduct, policies, adherence to local laws, certifications and regular factory visits and audits.

We are working to ensure all workers in our supply chain receive a living wage and have equal rights, and that our supplier factories demonstrate responsible management of energy, water, waste and chemicals.

We will work with our suppliers to build their capacity in responsible social and environmental practices.

Our collections will include artisan products created in collaboration with social advocacy groups, empowering and upskilling women in marginalised communities.

ELK + THE SUSTAINABLE DEVELOPMENT GOALS



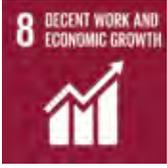
The seventeen Sustainable Development Goals (SDGs) are at the heart of the 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015. They represent an urgent call to action and provide a blueprint for ending poverty, improving health and education, addressing inequality, sustainable economic growth, tackling climate change and preserving our oceans and forests. Achieving the SDGs requires action from everyone, including governments, business, and civil society.

We recognise the contribution that ELK and more significantly the entire fashion industry can make towards achieving these goals. We must move quickly for these goals to be met by 2030. We have aligned our strategy to ensure we are supporting these collective goals.

Partnerships are essential to the success of the SDGs, and we will collaborate with other organisations, including brands, suppliers, governments and NGOs, and participate in multi-stakeholder partnerships to achieve collective outcomes.



OUR STRATEGY TOUCHES ON MANY OF THE SDG GOALS. BELOW ARE THE SIX SPECIFIC GOALS THAT AS A COMPANY WE BELIEVE WE CAN CONTRIBUTE TO IN A MEANINGFUL WAY:

SDG		HOW ELK WILL CONTRIBUTE
	<p><i>Achieve gender equality and empower all women and girls</i></p>	<ul style="list-style-type: none"> • Support equal rights and pay for women in our own business and supplier factories. • Promote family friendly work environments. • Support additional skills training for women workers in our factories and through social advocacy organisations. • Advocate for the representation of women in management.
	<p><i>Ensure access to water and sanitation for all</i></p>	<ul style="list-style-type: none"> • Reduce the water footprint of our products and our operations. • Support closed loop production models and improved water efficiency. • Ensure suppliers practice responsible water and chemicals management. • Ensure clean water, sanitation and hygiene in factories and support projects in their communities.
	<p><i>Ensure access to affordable, reliable, sustainable and modern energy for all</i></p>	<ul style="list-style-type: none"> • Invest in renewable energy by installing solar panels and purchasing green energy. • Improve energy efficiency in our own business and supply chain. • Preference suppliers with existing energy efficiency initiatives.
	<p><i>Promote inclusive and sustainable economic growth, employment and decent work for all</i></p>	<ul style="list-style-type: none"> • Create employment opportunities across our value chain as our business grows. • Ensure strong ethical labour and human rights practices in our own business and supplier factories, supported by policies, compliance with local laws, codes of conduct, regular audits and capacity building. • Work with our direct supplier factories to ensure a living wage. • Implement responsible purchasing practices internally.
	<p><i>Ensure sustainable consumption and production patterns</i></p>	<ul style="list-style-type: none"> • Improve transparency and traceability in our supply chains. • Use life cycle analysis to improve the environmental footprint of our products. • Source more sustainable fibres and materials with credible ethical and environmental certifications. • Design products for minimal waste, durability and circularity and take responsibility for our products across their full lifecycle. • Ensure responsible management of energy, water, waste and chemicals in our operations and supply chain. • Shift away from synthetic fibres and single use plastic towards renewable and circular materials. • Become a zero-waste business. • Set ambitious, science-based targets for reducing our GHG emissions. • Report publicly on our sustainability impacts and progress. • Educate our team and consumers to reduce impact post-purchase.
	<p><i>Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss</i></p>	<ul style="list-style-type: none"> • Improve transparency and traceability in our raw material supply chains. • Source our wood and paper-based products, including man-made cellulosic fabrics, from sustainably managed forest sources. • Source responsible wool and more sustainable cotton. • Support regenerative farming practices and conservation of ancient and endangered forests.

PARTNERS

We are not alone on our journey. We encourage a collaborative environment that promotes sharing, learning and giving back.

We carefully select those we affiliate ourselves with. Each partner is considered and an ongoing commitment beyond a simple signature is testament to our will to build long term, results driven collaborations.

INDUSTRY AFFILIATIONS



CHARITY PARTNERS



HIGHLIGHTS

POLY BAGS



We have significantly reduced our plastic consumption by: rolling garments where possible to reduce the size of bags by around 70%; bulk packing our denim jeans; and switching to recycled poly bags with our India based suppliers.

PROTECTIVE PACKAGING



We have eliminated all plastic bubble wrap from our packaging and replaced it with re-purposed or Forest Stewardship Council (FSC) certified paper-based options.

MAILING SATCHELS



Through the redesign of our shipping boxes, we have reduced our use of mailing satchels by over 15,000+ per year. When required, we now use plastic-free, home compostable satchels made from corn starch.

ORGANIC COTTON



The first certified organic Fairtrade cotton garments were introduced into our Summer 2018 range. Organic cotton now represents 6% of our total cotton use.

CANOPY STYLE



In February 2019 we joined the CanopyStyle initiative and launched our Forest Fabrics Policy. We are committed to responsible sourcing of our man-made cellulosic fibres (MMCF) including viscose.

LIVING WAGE



By defining what we consider to be a living wage and publishing our tier 1 supplier list, we have taken the first credible steps towards ensuring a living wage is paid.

SEDEX



In 2018, we became a member of Sedex, one of the world's largest collaborative platforms to store, share and report on supply chain information. This will help us to manage and improve standards within our supply chain.

CARBON FOOTPRINT



We have measured our 2018 carbon footprint and have 100% offset the 303 tCO₂e by purchasing carbon credits. In addition, the LED lighting upgrade for our bulk warehouse is expected to save 19 tonnes of carbon dioxide emissions per year.

UNICEF



We are proud to be UNICEF Platinum Champion for Children. Along with our generous customers, we achieved a key milestone in December 2018 of having raised, more than \$200,000 since 2011.

IMAGE: ELK Melbourne
flagship store



LOCAL AND GLOBAL



We are a unique business. A contemporary, family owned fashion label with a growing team of more than 80 people. We work with independent representatives in four continents who champion unique, independent design and value the stories behind products.

We are proud to offer the unique proposition of head-to-toe dressing for customers all over the world with products that are made ethically and with a sustainable agenda.

WHERE TO FIND US

HEAD OFFICE AND RETAIL STORE

395 Plenty Road, Preston, Australia

FLAGSHIP STORE

182 Little Collins Street, Melbourne, Australia

DAILY DISPATCH WAREHOUSE

365 Plenty Road, Preston, Australia

BULK WAREHOUSE

122–124 Henty Road, Reservoir, Australia

WHOLESALE SHOWROOM

435 Plenty Road, Preston, Australia

AGENTS & SHOWROOMS

USA

- Chicago
- Portland
- Boston
- New York

CANADA

- Vancouver

JAPAN

- Tokyo

UNITED KINGDOM

- London

NEW ZEALAND

- TePuke

AUSTRALIA

- Sydney
- Adelaide
- Perth
- Queensland
- Melbourne

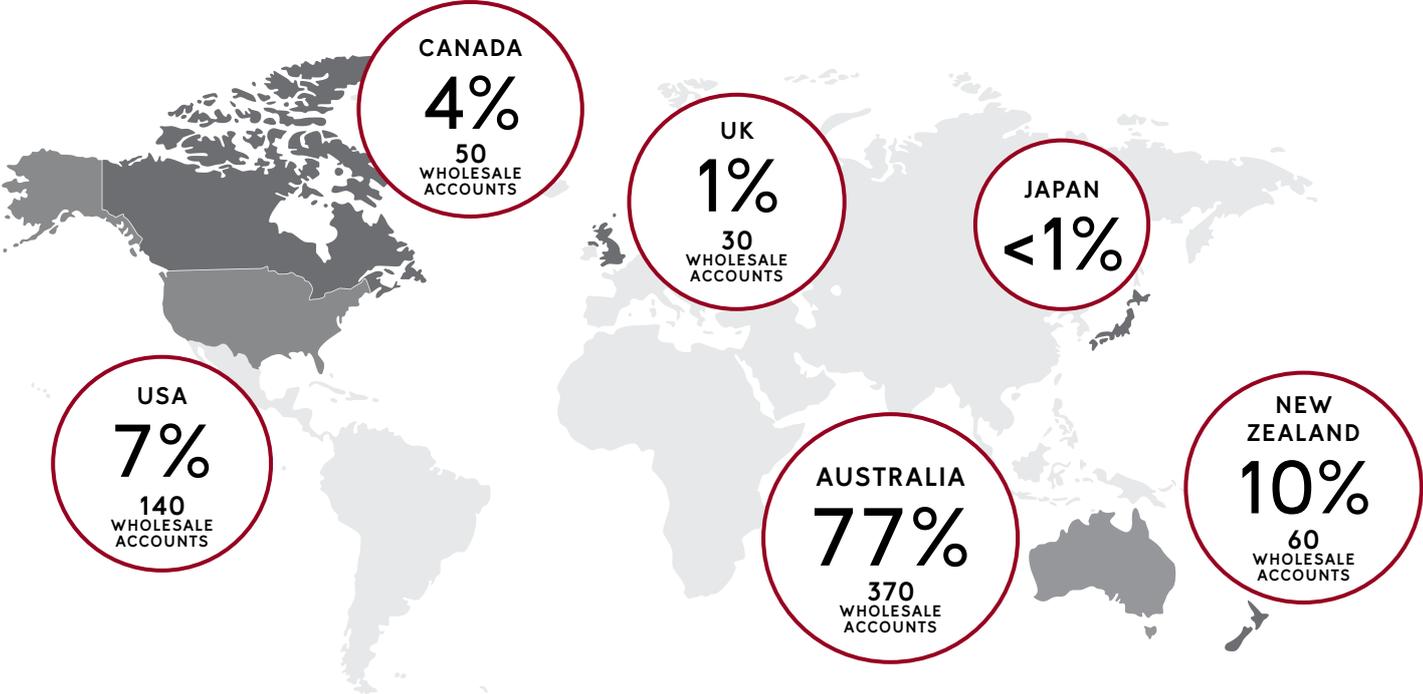
IMAGE:
Adam
outside our
Preston
retail store



2018 SALES BY CHANNEL



2018 SALES BY COUNTRY



2018 SALES BY CATEGORY

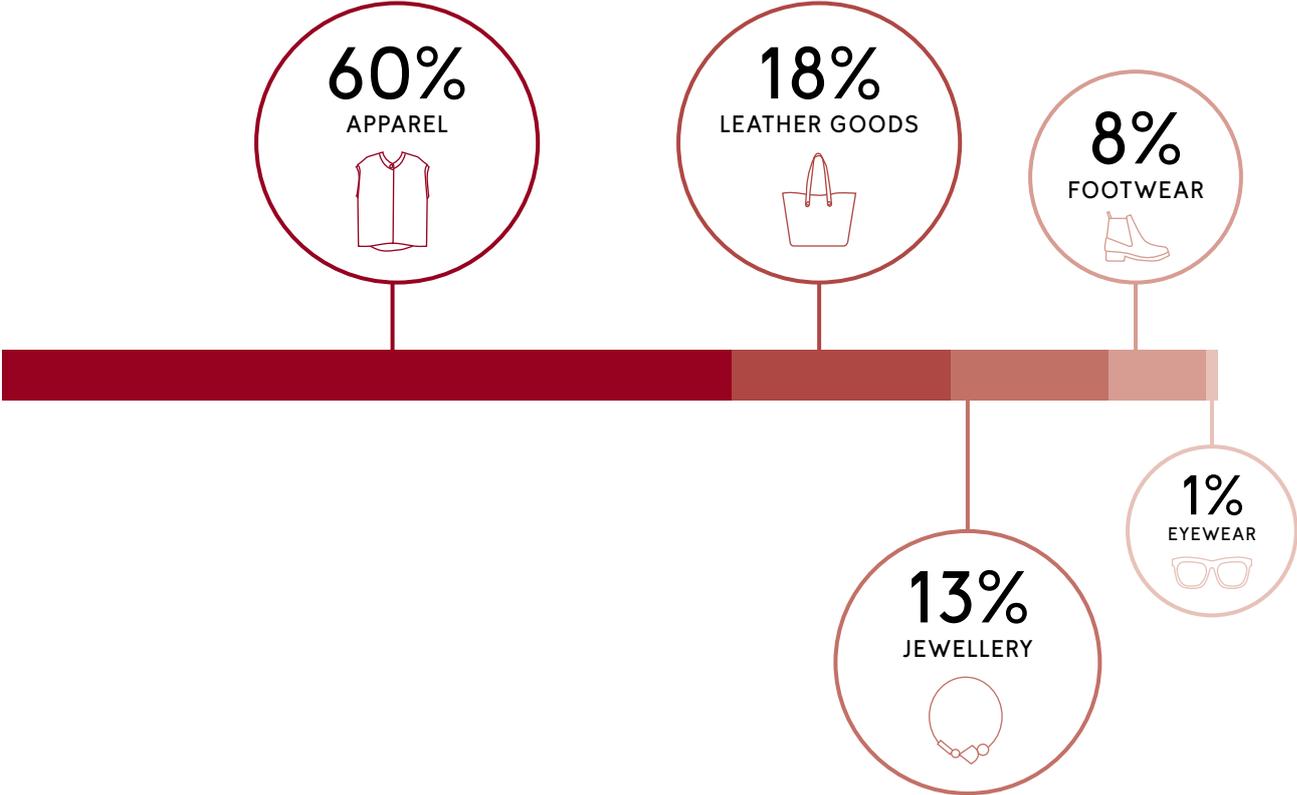




IMAGE: Our 2IC, Leah in our ELK Preston store

THE ELK CREW



From Melbourne right across the world, we design, make and sell fashion to independent traders. Our skill sets are varied and our backgrounds diverse. Our team is mostly made up of women and is spread right across the globe, from New England to New Zealand. The culture is strong and the passion and commitment to working with a creative, inclusive brand that has clear vision and intent is what binds us together.

OUR TEAM



As a family owned and operated business, there is a great respect for all persons who work within and for the business. Our people are at the heart of every decision.

People are at the heart of everything we do. From our staff and wholesalers, through to our suppliers and manufacturers, we endeavour to have a positive impact on every person who has contact with ELK.

We have cultivated a work environment in which our employees are constantly challenged to do their best. We have a strong brand identity that we've built through a creative approach. We nurture this quality in others by employing people who share our keen interest in design, our love of nature and simplicity and our commitment to an ethical and sustainable business. Just as each piece in our range is carefully created; we seek out individuals who can bring their own life experiences and inspired ideas to our company.

In return, we provide our employees with a unique work culture that is open and friendly, and promotes a happy work place. Staff retention is high and many team members have been with the company for long periods of time. Operating openly, respectfully and honestly ensures everyone can be instrumental in helping steer the business towards future opportunities and growth. We live, create and work in a world surrounded by like-minded people and by peers that inspire us.

We encourage our employees to integrate ELK products into their lives outside of work. Our staff are our brand ambassadors.

All employees are encouraged to participate in our Health and Wellbeing Initiatives which provide weekly organic local fruit and vegetables deliveries, social activities, community and charitable initiatives and health and wellbeing workshops.

All employees are kept up to date with our ethical and environmental journey and are informed about ELK products — from the design process, through to the materials used, to craftsmanship and traditional skills used to make them.

One of our key priorities is to create work-life balance. There is no one-size-fits-all for our team so we aim to be as flexible as the job allows when staff want time to pursue other passions, such as study, artistic pursuits or volunteer work. Family also comes first and we strive to give staff a healthy balance between life at work and at home. We value hard work combined with a relaxed attitude and we believe in having fun!

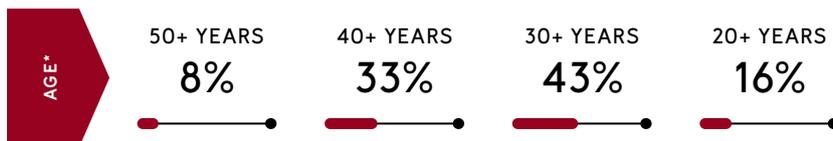
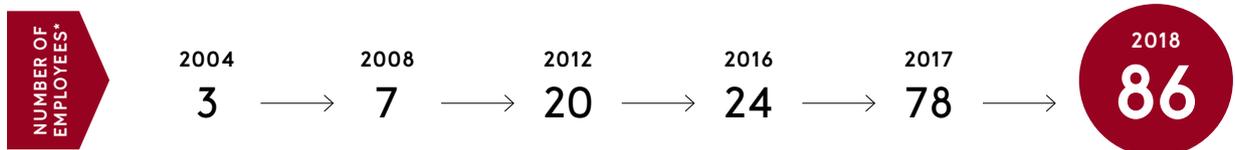
QUALITY

IMAGE: Adam and Anna in our dispatch warehouse



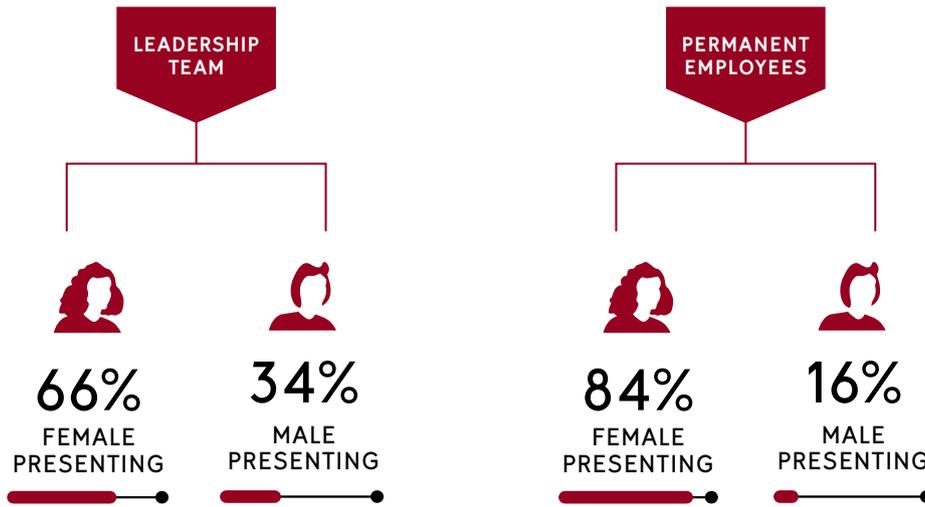
WHOLESALE 3

WHO WE ARE

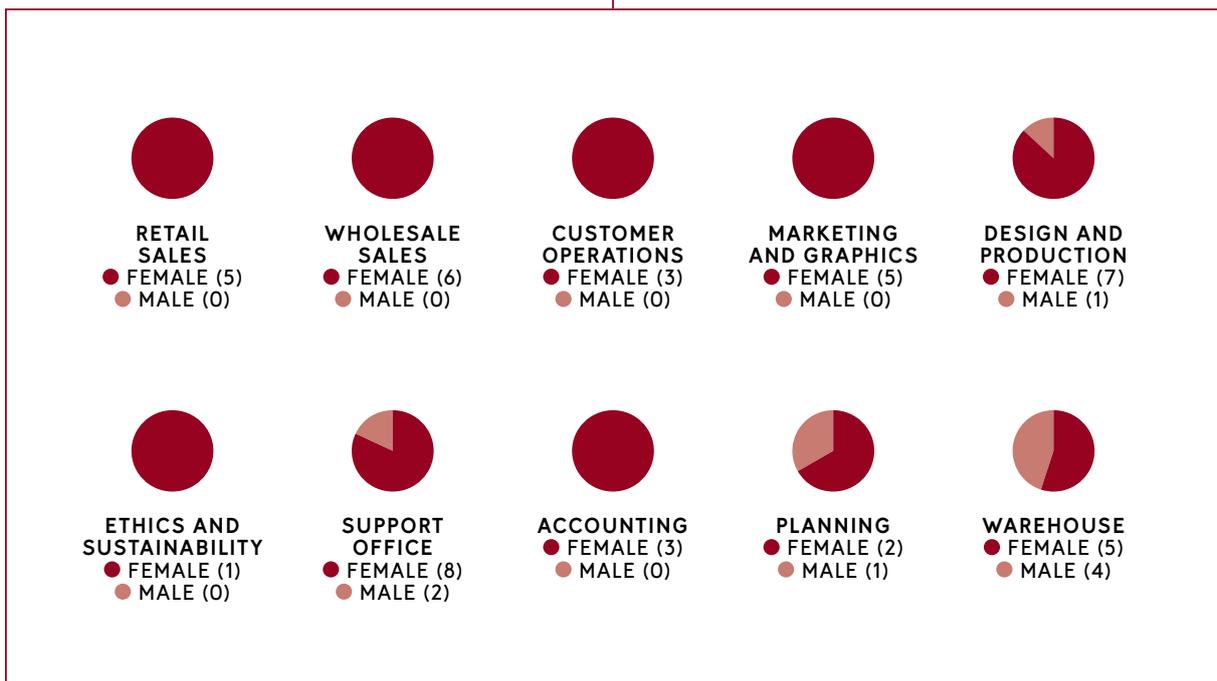


*PERMANENT STAFF

GENDER BREAKDOWN



PERMANENT STAFF BY DEPARTMENT



We are proud to have a strong representation of female employees through every level of our company, including our leadership team.

LEADERSHIP TEAM

Adam Koniaras
Company Director

Marnie Goding
Creative Director

Amanda McCabe-Phillips
Chief Operating Officer

DEPARTMENT HEADS

Chris Borbidge
Chief Technical Officer

Annabel Cuthbertson
HR and Operations Manager

Nid Kelly
Director of Sales

Callie Dixon
Merchandise Manager
(Absent from photo)

Marian Gilmore
Accounts Manager
(Absent from photo)

Amadio Colafella
Head Designer

Hayley Bromley
Warehouse Manager

Erika Martin
Ethics and Sustainability
Coordinator

Nelly Phelan
Senior Marketing and
Communications Manager





WORK LIFE BALANCE

We pride ourselves on creating a workplace that provides job satisfaction in a friendly and enjoyable environment. We maintain a strong focus on family values and life outside of work.

IMAGE: Jane at our team surf lesson

BELOW: Hayley and Bess at a staff party



FLEXIBLE WORK

We understand that our team have a life outside of ELK. Over 30% of our permanent staff members work part-time. We know that providing flexibility to care for family; undertake volunteer work; or to pursue studies, creative passions and other interests; creates a happier and more productive workforce.

It is also commonplace to see kids (and dogs) in the ELK offices. Many of our employees have children and we understand that there are days when things just don't work out. Staff can take carer's leave to be at home with their children but we are also happy for the kids to join us in the office when that works better.

HEALTH AND WELLBEING

Providing opportunities for learning, socialisation and cultural development is a priority for us as a business. We have an annual calendar and every month we have a charitable activity and a health and wellbeing initiative.

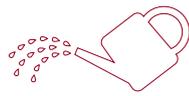
Some of these activities include:

- weekly organic fruit deliveries.
- team lunch dates with small groups of six across different departments.
- monthly birthday celebrations.
- activity classes including yoga and hula hoop.
- desk side massage day.
- wellbeing workshops covering topics such as gut health.
- movie nights.





3
JEWELLERS



3
GREENTHUMBS



3
POTTERS



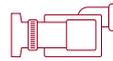
1
CAR RESTORER



1
ACTOR



1
AIR BRUSH
ARTIST



2
VIDEO
ARTISTS



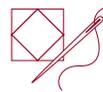
1
ENVIRONMENTAL
CONSERVATIONIST



1
KNITTER



1
DOG PORTRAIT
ARTIST



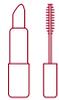
1
QUILTER



1
YOGA TEACHER



4
MUSICIANS / DJ /
PRODUCERS



1
MAKE-UP
ARTIST



1
FLORAL
ARTIST



3
FREELANCE
DESIGNERS



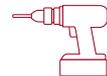
2
SEAMSTRESSES



2
FREELANCE
PHOTOGRAPHERS



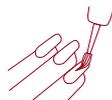
2
FREELANCE
ILLUSTRATORS



1
CABINET
MAKER



1
REIKI
THERAPIST



1
NAIL
ARTIST



1
WINE
TRADER



1
DOG
EXPERT

IMAGES: ELK team
at our Free to Feed
workshop





FREE TO FEED

HEALTH AND WELLBEING INITIATIVE

Following a month long team pedometer challenge (we don't think there was any cheating), the winning team had the opportunity to join the Free To Feed social enterprise for an incredible evening of laughing, cooking and most importantly eating Sri Lankan food with the Free to Feed team, Charu, Tamara and Bashimi.

Food really is a great springboard for conversation and the team had the chance to learn more about each other and also the rich culture and moving stories of the women running the evening.



The organisation states "Free to Feed is a not-for-profit social enterprise in awe of the potential and spirit of refugees, people seeking asylum and new migrants – and appreciative of what they want to offer as new community members – we aim to champion their unique skills and individual stories. Free to Feed was founded in late 2015 with the express purpose of assisting people seeking asylum to a) find meaningful employment opportunities using their existing skills and experiences and b) facilitate community interconnectivity and break the stifling sense of social isolation often faced by these new arrivals."

GETTING PERSONAL



ELK team members come from a diverse range of backgrounds. The stories of how they came to ELK, their roles in the business and their individual needs for finding a work-life balance creates a great culture and creative environment. Here are just a few stories...



ANASTASIA

Position:
Production Manager
Joined ELK:
2016

"I consider myself extremely privileged to have been involved in many areas of the fashion industry.

My early experiences consist of working with local weavers, knitting and dye houses, and manufacturing plants which would cut, sew and finish garments. Later, a shift to off-shore production brought new challenges.

There have been many changes over the years, however the greatest change to the fashion industry is the conscious awareness of the impact we have on our planet. I am very proud to be working with like-minded passionate and creative people and to be part of ELK's journey towards an ethical and sustainable future."



KATRINA

Position:
Retail Sales Assistant
Joined ELK:
2010

"My hours at ELK have given me the time I wanted for raising my family. They have been completely flexible with holidays, and dropping everything to run down to school for any emergency monkey bar disasters, when required! It is a family run business, that recognises when you support your staff with this thoughtfulness, that ELK in turn is reciprocated with dedication to our jobs whilst there."



JORDAN

Position:
Warehouse Assistant

Joined ELK:
2014

"Being a long time employee at ELK, I've had the opportunity to see the company grow and develop over a number of years.

I started out on cleaning duties while completing my studies, working my way up to my current role of warehouse assistant. Since taking up this role I have gained valuable experience and insight into the inner workings of a medium scale warehouse whilst also continuing to learn new skills."



GEMMA

Position:
Print Designer

Joined ELK:
2017

"It has been great to see ELK transform their business model to one that aims to be kinder on the planet. Being environmentally conscience myself, it is nice to work for a company that is working towards a more sustainable future.

Initially my role was full time however ELK has given me the flexibility to continue working for the business in a part-time role while returning to study."



LINN

Position:
Warehouse Assistant

Joined ELK:
2012

"My name is Htain Linn, I come from Myanmar. I have been working at ELK in the warehouse for over 6 years.

My job is picking and packing product for the ELK wholesale customer. I like working at ELK and I enjoy my position.

ELK is working towards environmental and sustainable goals. Leading the way is Adam and Marnie by reducing and recycling.

It's good for our future and the new generation."



BELINDA

Position:
Accounts Assistant

Joined ELK:
2014

"Working in an organisation which has encouraged my personal and professional development has challenged and enabled me to work and gain insight across varied departments, in turn helping me in my current position.

All the more enforced by a strongly fostered team dynamic that prevails across the entire company, bringing together a group of individuals who respect, nurture and proudly stand behind the brand.

ELK also provides an open-minded, creative environment and personally provides me the freedom through part-time work to continue my own creative pursuits."



OUR FOOTPRINT



We are reducing the environmental footprint of our business by implementing many changes, big and small.

OUR OPERATIONS



Everything we do and everything we make leaves an environmental footprint. It impacts communities, people and the natural world. We are committed to reducing this footprint and through setting targets and measuring our progress, we will be accountable. It is not a short term plan, this is forever. We are redesigning a fashion business for the future.





IMAGE:
Recycling
stations at
our bulk
warehouse

STRATEGY AND GOALS

Our aim is to run our business with the smallest environmental footprint possible. Ultimately, we believe every business should make this their aim.

We have set targets for our business operations to be carbon neutral and zero-waste by 2025, and these are informing the many decisions that we make every day, whether investing in energy efficient lighting, redesigning our packaging, composting our organic waste or switching to more environmentally friendly cleaning solutions.

Our focus is on becoming more waste and energy efficient by removing and refusing unnecessary packaging, recycling, composting and investing in renewable energy.

We understand that this is not enough to avoid the worst impacts of climate change, and we will look to develop longer term science-based targets that extend beyond our own operations.

MEASURING OUR CARBON FOOTPRINT

One of the first steps for us towards reducing our environmental footprint and becoming a carbon neutral and zero-waste business was to measure our impacts. To do this we engaged the Carbon Reduction Institute (CRI) to complete a carbon audit for our business operations, within the boundaries of their LowCO2 program. This involved measuring the scope 1, 2 and 3 emissions from our electricity and gas use, fuel consumption, waste, flights and staff travel.

The independent CRI carbon audit meets the internationally recognised reporting standards ISO 14060-1 and 14064-2 and the standard upon which they were built, the Green House Gas (GHG) Protocol, established by the World Business Council for Sustainable Development (WBCSD) and the World Resource Institute (WRI) in 2001.

The resulting ELK carbon footprint for CY2018 was 303 tonnes of CO₂e (tCO₂e).

We have chosen to 100% offset these emissions by purchasing carbon credits from China Wind Projects. These projects fund investment in renewable wind energy infrastructure, which helps to reduce China's reliance on polluting coal-fired power stations and to meet the vast energy needs of its rapidly growing economy. Wind Projects reduce the emission of greenhouse gases and limits local air pollution, improving the health of the local population.

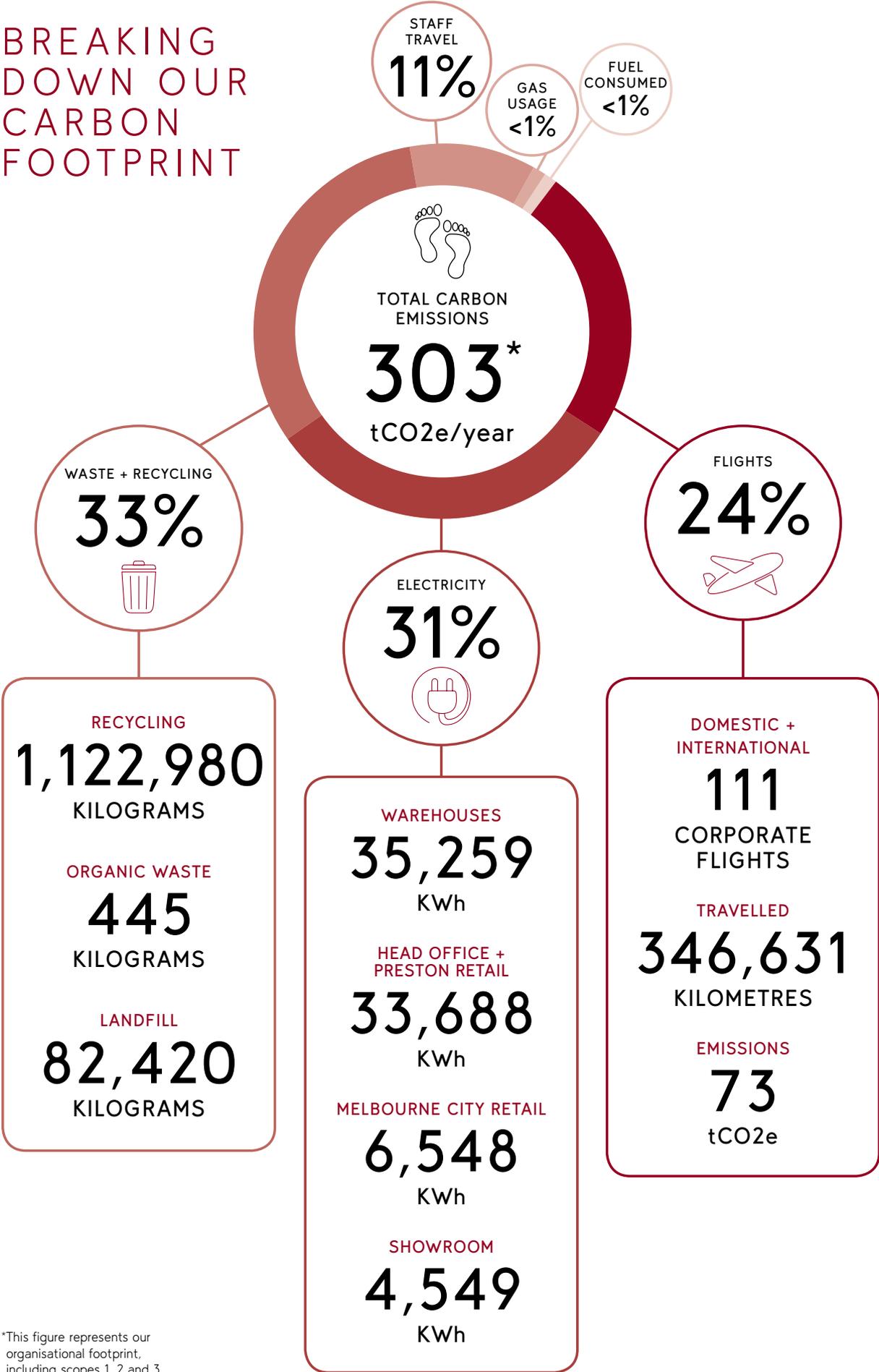
In addition to the environmental benefits, the implementation of these project creates job opportunities for local workers, contractors and suppliers, while the operation and maintenance of the wind parks generates long-term employment positions.

These projects meet our aims of investing in renewable energy as well as improving environmental and social outcomes in one of our key supply countries.

IMAGE:
Wind farm
in China
supplied
by Carbon
Reduction
Institute



BREAKING DOWN OUR CARBON FOOTPRINT



*This figure represents our organisational footprint, including scopes 1, 2 and 3.

WASTE

WE ARE PASSIONATE ABOUT OUR AIM TO BECOME A ZERO-WASTE BUSINESS. WE FOLLOW THE PRINCIPLES OF REFUSE, REDUCE, REUSE AND RECYCLE AND OUR AIM IS THAT NOTHING FROM OUR BUSINESS SHOULD GO TO LANDFILL.

We have dedicated recycling bins for paper and cardboard, soft plastics, organic waste and mixed recycling throughout our stores, office and warehouses, to ensure waste ends up in the right place. Where we don't have an available recycling option, we are actively working with external partners to find solutions.



PAPER AND CARDBOARD

We reuse some of the cardboard boxes we receive from suppliers to create our protective packaging for wholesale orders.

For the remaining waste, we have partnered with a local paper mill and cardboard carton manufacturer, Lakeside Packaging in Campbellfield, Victoria. They collect and recycle our clean paper and cardboard waste and convert it back into 100% recycled cardboard shippers onsite.

SOFT PLASTICS

Our soft plastic waste, predominantly generated from protective packaging, is collected by GT Recycling based in Geelong, Victoria. They send the plastic waste to specialist recyclers offshore to be converted into new products including bin liners, black builders' film and irrigation pipes. Our preference is to recycle this plastic in Australia, and our search to find a suitable onshore recycler is ongoing. All bin liners used for non-compostable or recyclable waste are made from 100% compostable vegetable material.

POLYSTYRENE

We have completely eliminated polystyrene from our suppliers' packaging, replacing it with paper-based options. Any polystyrene we do receive is recycled through E-cycle Solutions.

SINGLE-USE PLASTICS

All single-use plastic items such as straws, balloons, disposable coffee cups, disposable plates and cutlery are banned from our office. We buy food in bulk where we can and use reusable shopping bags when shopping. We also encourage staff to purchase takeaway food using shared reusable containers rather than in disposable packaging.

IMAGE: Our recycling guidelines board and bin station in the team kitchen



Our organic waste diverts
400
 kilograms
 from landfill



IMAGE: Our worm farms

ORGANIC WASTE

With a team of 80+ staff, we consume a lot of lunches, coffee and tea. We have set up worm farms at our head office to compost food waste, including coffee grounds and tea bags. The worm juice and castings are harvested to use on our fruit trees or shared with staff to use on their own gardens. This will divert more than 400kg of waste from landfill each year.

E-WASTE, PRINTER CARTRIDGES AND BATTERIES

Our printer cartridges are recycled through Planet Ark and we have been collecting our e-waste and batteries to recycle through PonyUp for Good who donate 50% of any profits generated to SecondBite.

OFFICE PRINTING

In 2018 we replaced all of our office printers with new energy and ink efficient models. This will allow us to better track and manage our paper use and gather baseline data to evaluate how we can reduce waste. We would ultimately love to become a paperless office however the realities of the business currently requires some printing.

There are a few key changes we have been able to implement immediately including:

- Setting all computers to default to double-sided printing to reduce paper consumption.
- Retail customers now have the option to have their receipt emailed rather than printed.

Our office printer paper is 100% recycled, with Forest Stewardship Council (FSC) recycled certification.

On average we print
153
 pages per person
 each month
67%
 is greyscale

TERRACYCLE

We have implemented three TerraCycle recycling initiatives: all of our stationery is recycled through their Zero Waste Box; our incoming mailing satchels are recycled through their Mailing Satchel Recycling Program; and our staff can recycle empty beauty products through their Beauty Products Recycling Program.

We have recycled
429 packages from
 beauty products
 and **2197** mailing
 satchels
 through our
 TerraCycle initiatives

FAULTY AND EXCESS STOCK

We are in the fortunate position to have limited excess stock, and any product left over at the end of a season is sold through various sales initiatives or donated to organisations such as Fitted for Work. Our policy is that no ELK product goes to landfill.

We have a number of single shoes from sampling and other sources and these are donated to SCR Group who are meeting a need for single shoes in war-ravaged areas like the Middle East for victims that have tragically lost limbs and only require a single shoe.

ENERGY EFFICIENCY

WE ARE COMMITTED TO MINIMISING OUR ENERGY USE ACROSS THE BUSINESS AND OFFSETTING ANY GREENHOUSE GAS EMISSIONS THAT WE DO GENERATE.

ELECTRICITY

Electricity is the second largest contributor to our carbon footprint, after waste. To reduce our electricity use we have installed energy efficient LED lighting across our buildings. In our bulk warehouse this is expected to save 19 tonnes of carbon dioxide emissions per year. Timers have also been installed on our coffee machines and main office printers to ensure they are switched off when the office is closed. When purchasing new appliances, we look for the highest energy star rating available.

TRANSPORT

Where possible we aim to send our bulk products using sea freight rather than air freight, to reduce carbon emissions.

CLEANING SOLUTIONS

We have switched to using cleaning solutions in our business that are gentler on people and the environment. The liquid soaps that we use are plant-based, grey-water and septic safe and not tested on animals, and we buy our hand wash in bulk and refill our containers. We have reusable cloth hand towels in our bathrooms and have also replaced disposable kitchen cloths and brushes with reusable cloths and dish brushes made from natural and compostable coconut fibre bristles. We launder our clothes and towels on-site. Our kitchen bin liners are certified compostable and plastic-free.

When necessary, dry cleaning is done by Laundry Box, who collect garments in low emission vans and clean the pieces in organic, biodegradable and environmentally friendly cleaning products using an energy and water efficient process.



IMAGE:
Our bulk
warehouse

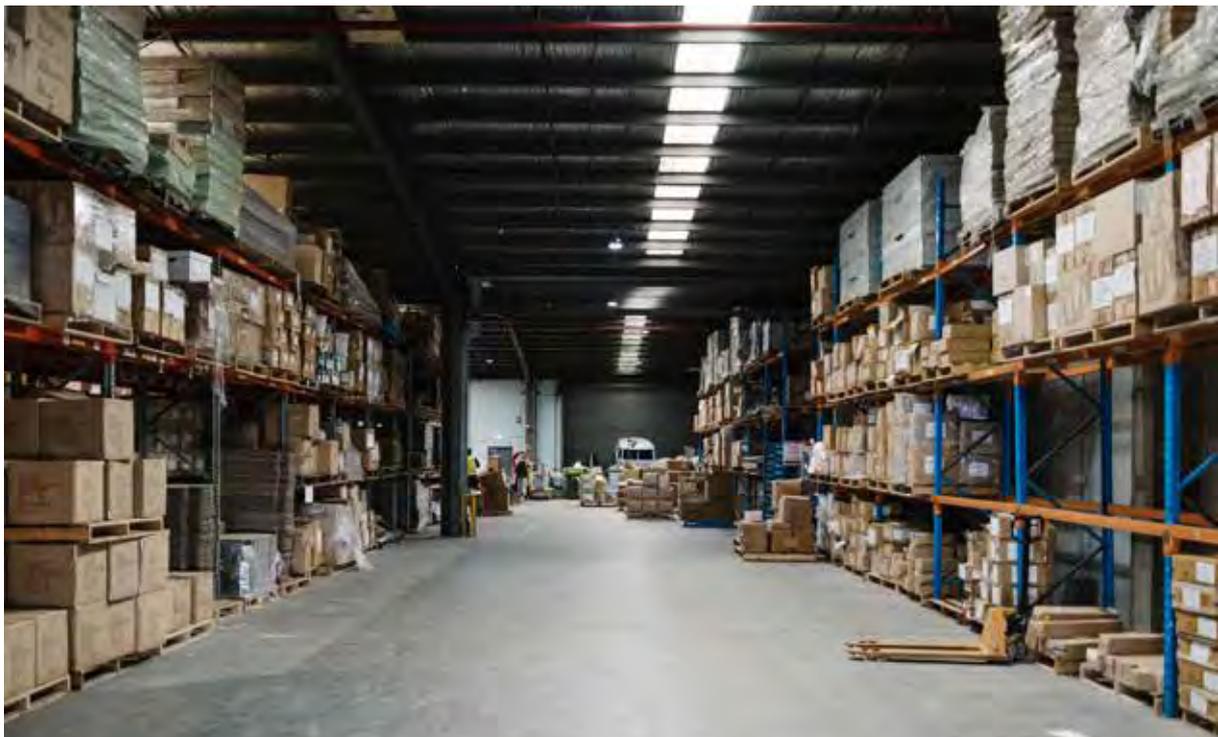




IMAGE:
Our first
fruit tree

NEXT
STEPS

- Build up our kitchen garden to grow fruit, herbs and vegetables for our staff to enjoy.
- Install solar panels on our buildings where feasible and explore options for building upgrades to improve energy efficiency.
- Switch energy providers to a retailer that is actively investing in renewable energy.
- Continue to explore reuse, repair and recycling options for any faulty or returned textiles, leather and shoes.
- Use teleconferencing whenever possible to reduce flights.
- Install bike racks to support staff that ride to work.
- Continue to measure and offset our emissions.
- Set long-term, science based targets for our business and broader value chain.

BETTER PACKAGING + PRINTING

2025 PACKAGING AND PRINTING GOALS

All of our packaging and printed materials will be reusable, recyclable or compostable.

We will use only recycled or Forest Stewardship Council (FSC) certified paper stock.

There will be least 50% recycled content across all ELK packaging and printed materials.

Any unnecessary packaging components will be removed, and single-use plastic packaging will be eliminated.

We will move from single-use towards reuse models where relevant.

LEFT: Meg
preparing
ELK online
orders

RIGHT:
Jordan in
our dispatch
warehouse



PACKAGING



Packaging plays an important role in protecting our product during transport and reducing product waste through damage. We recognise that it has a major impact on our environment. We are working hard to minimise this impact by removing, reducing and reusing packaging where possible, and switching to materials that are renewable, recycled, recyclable, compostable and sustainably certified.

We will eliminate any unnecessary packaging and move from single use towards reuse wherever possible. Our focus is on eliminating plastic packaging from our products and operations.



IMAGE: Linn making our protective packaging out of used shipper cartons

RIGHT: ELK online order packed with perforated paper wrap



PROTECTIVE PACKAGING

WE HAVE OVERHAULED OUR PROTECTIVE PACKAGING, REPLACING ALL PLASTIC BUBBLE WRAP IN OUR WAREHOUSE WITH PAPER-BASED OPTIONS.

In 2018 we conducted a full review of our packaging for online and wholesale orders. Weighing up the financial cost of using heavier materials versus the environmental benefit of moving away from plastic bubble wrap, we investigated a number of options. Our final solutions are:

PERFORATED CARDBOARD WRAP

In April 2018 we invested over \$8000 in purchasing a cardboard perforating machine through FP Mail. We collect used cardboard shipping cartons which we repurpose in-house to create our perforated cardboard wrap. This is used as protective packaging for shipping the majority of our wholesale orders.

PERFORATED KRAFT PAPER WRAP

Our online orders and more delicate wholesale orders are wrapped in a finer perforated FSC certified brown Kraft paper wrap.

CARTONS

OUR ONLINE SHIPPING CARTONS ARE MADE FROM 100% RECYCLED BLEACH-FREE BOARD AND ARE FULLY RECYCLABLE. THEY ARE PRODUCED LOCALLY AND PRINTED WITH BIODEGRADABLE VEGETABLE-BASED INKS.

These cartons are used to send out the majority of our online orders and our wholesale orders.

Over the past two years we have redesigned our online cartons to eliminate the need for an additional plastic mailing satchel. This has reduced our use of satchels by 60% with an estimated saving of 15,000+ plastic satchels a year.

We were also very excited to discover that we could eliminate the plastic invoice pocket by placing the invoice inside the box.

The image shows a stack of four cardboard boxes in the background, slightly out of focus. In the foreground, an open cardboard box is shown, filled with a brown, paper-based cushion made of a honeycomb-like structure. A small white circular sticker with the letters 'ELK' is placed on top of the cushion. The overall scene is set against a plain white background.

MAILING SATCHEL
USE DECREASED BY

60%

SAVING OVER

15,000+

SATCHELS A YEAR

PAPER BASED
ALTERNATIVES HAVE
REPLACED

5160m²

OF PLASTIC BUBBLE
WRAP PER YEAR

IMAGE: Rolled garments in reduced-size poly bags.
BELOW: Old poly bag and new poly bag



POLY BAGS

IN 2018 WE SIGNIFICANTLY REDUCED THE AMOUNT OF PLASTIC CONSUMPTION FROM POLY BAGS.

Our products come to us packaged in plastic poly bags to protect them from damage during transport. We have reduced the amount used by the following:

- roll packing our garments where suitable, reducing the size of the poly bag by around 70% as pictured.
- bulk packing our denim jeans with ten units per bag instead of packing individually.
- using recycled poly bags for our leather goods sent by our Indian makers.

We are also looking to use compostable or plant derived plastics and shipping without poly bags wherever possible.



IMAGE:
New mailing
satchels

BELOW:
Sample of
remnant
jewellery
pouch

MATERIALS USED FOR
THE NEW MAILING SATCHELS
REPRESENT A

60%

REDUCTION IN
CO² EMISSIONS

COMPARED TO
TRADITIONAL
PLASTICS*

*Data taken
from the
Better
Packaging
Co website

MAILING SATCHELS

WE ARE NOW USING A HOME-COMPOSTABLE SATCHEL MADE FROM CORN STARCH.

For orders that still require a mailing satchel, we are now using satchels from the Better Packaging Co. These can be composted through any standard home composting bin or worm farm.

JEWELLERY POUCHES

WE ARE CREATING JEWELLERY POUCHES FROM SMALL PIECES OF REMNANT FABRIC HELD BY OUR SUPPLIERS.

This process diverts the excess material from landfill and avoids the use of new materials in the production of our retail jewellery packaging. We are currently working through our existing stock of felt pouches and expect to introduce the remnant pouches by the end of 2019.

NEXT
STEPS

- Join the Australian Packaging Covenant Organisation.
- Test the feasibility of removing poly bags or using compostable poly bags for all ELK products.
- Explore industrial composting options to support larger scale use of compostable bioplastics.
- Switch to paper tape for our bulk shipping boxes.
- Ensuring any padding or wrapping required from our suppliers is unbleached, recycled paper.
- Explore options for reusable mailing satchels for our online and wholesale orders.

PRINTING



Throughout the year we create a range of printed materials to support our seasonal collections. When printing on paper, we look to use the highest level of post-consumer recycled fibre content possible. Any new fibre content must have FSC certification.



CATALOGUES

OUR CATALOGUES ARE PRINTED IN MELBOURNE ON RECYCLED PAPER.

The paper is made from a mix of 60% post-consumer recycled waste and 40% FSC certified pulp from responsibly managed forests. It is processed chlorine free and elemental chlorine free and is carbon neutral from the raw material to the printer.

POSTCARDS AND PROMOTIONAL MATERIAL

WE PREFER USING ECOSTAR+ PAPER STOCK.

It is an environmentally responsible paper that is carbon neutral, made from 100% post consumer recycled paper in a process chlorine free environment and the fibre source is FSC recycled certified.

BANNERS

FROM SUMMER 2019 OUR SEASONAL CAMPAIGN BANNERS WILL BE PRINTED ON 100% ORGANIC COTTON CANVAS.

We print approximately 180 banners each season to distribute to our wholesale customers. We have been using a synthetic material that is hard to recycle.

With the new cotton banners, we will be asking our wholesale customers to return them when they are no longer needed. We will donate them to Boomerang Bags to be upcycled.

SWING TAGS

WE HAVE REDESIGNED OUR SWING TAGS TO ELIMINATE THE USE OF SYNTHETIC MATERIALS.

In the past our swing tags had protective polyester cover to ensure the colour did not transfer to our products. These were difficult to recycle so we redesigned our tags to eliminate the need for these covers.

We have also removed the plastic clasp from our swing tags. These have already started to filter through in store and we will replace all existing swing tags as suppliers use up existing stock.



IMAGE:
Redesigned
ELK swing
tags

NEXT STEPS

- Review our paper stock options for swing tags and ticketing.
- Review the environmental practices of our printers.
- Review the types of inks used for our printed materials.
- Investigate waterless printing options.

PLANNING FOR LESS WASTE

An integral component of reducing our impact is ensuring we produce the right amount of product. Over production is one of the largest risks for any fashion business resulting in huge amounts of waste, the associated emissions from shipping "dead" stock, and wasted material resources.

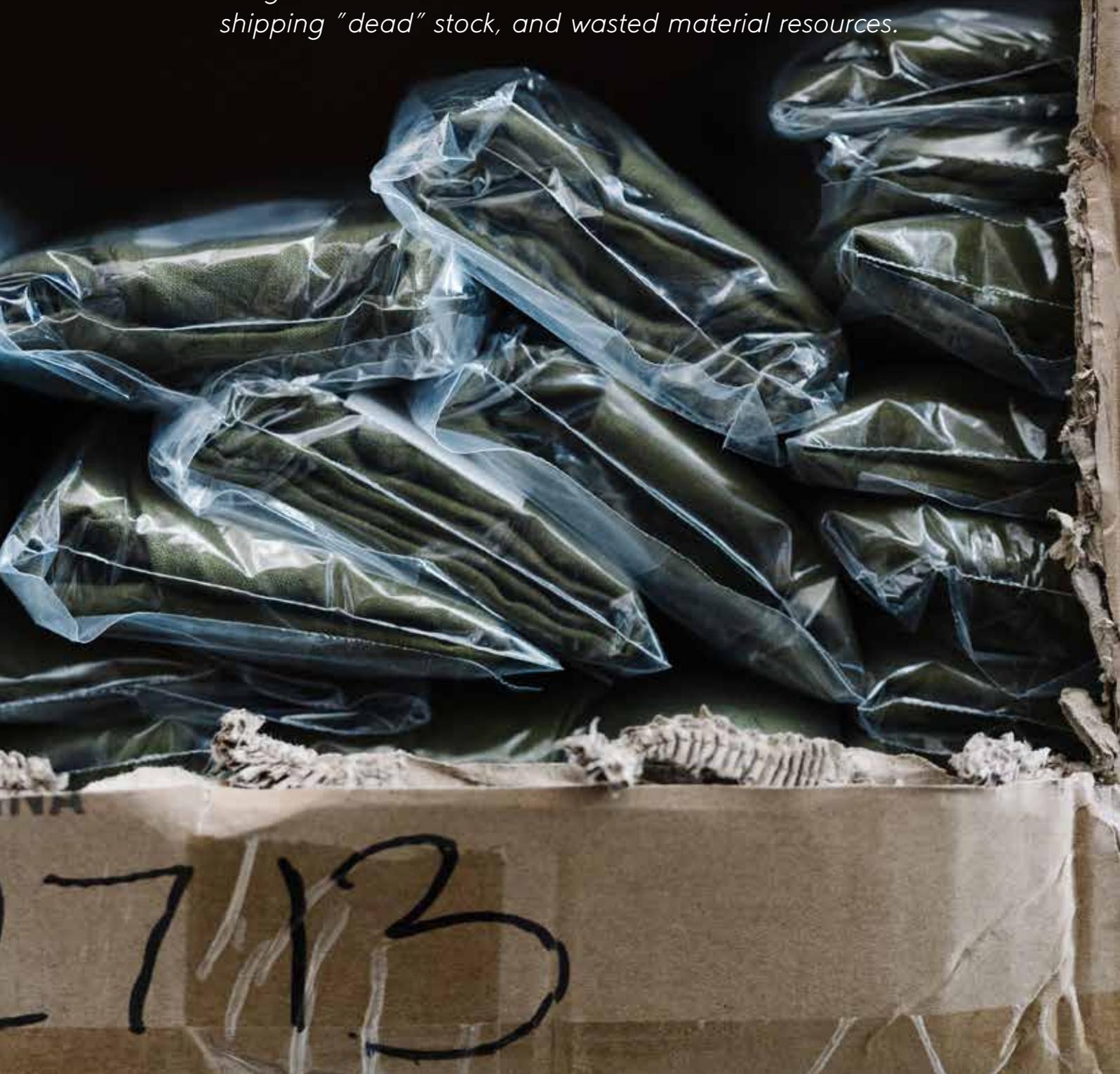




IMAGE:
Callie
Dixon, Head
Planner

Callie Dixon joined the ELK team in 2012 as Head Planner. Her role is vital to the company's success ensuring we strike a balance between having enough stock to fulfill demand and not over ordering.

With over 500,000 tonnes* of textiles and leather sent to landfill per year in Australia alone, our commitment is to ensure that we do not contribute to this statistic. In her time with us Callie and her team have transformed our stock levels reducing excessive holdings by around 25%. Today the team's mandate is to work alongside our production and sales teams as well as our suppliers to keep inventory at exactly the right level.

Even though we have held more product than we would have liked, we are proud to claim that in fifteen years no bulk product has been sent to landfill. Our stock has either been sold through at full or reduced price, faulty goods have been repurposed or repaired, and on

two occasions in 15 years we have had to send a small number of faulty garments to recycling.

Efficient and accurate planning also has influence on the logistic side of any fashion business. Managing our critical path means orders are placed with enough time for careful production so goods can be sea freighted rather than air freighted. They also arrive in a single delivery, on time and with enough stock to meet demand which results in a much smaller carbon footprint.

The planning department will play a vital role in the design of more circular systems. Taking responsibility for garments at their end-of-use will also fall into this area as we look to take back pre-loved ELK products to be on-sold or repurposed for next use. This is an exciting new project and a change in method for traditional planners and Callie and her team are committed to implement these new concepts into the ELK product life cycle.

NEXT STEPS

- Set targets for freight to further reduce emissions.
- Explore Artificial Intelligence options to assist with predictions around order potential and provide assistance to independent resellers without tech sophistication.
- Engage with organisations such as Better Buying Initiative and Ethical Trading Initiative to explore best practice in responsible purchasing.

*Figure taken from the McKinsey State of Fashion Report

IMAGE: The ELK design and production team



EXPLORING DESIGN



With a shift in focus toward a more sustainable operation comes the need for a reimagining of how a design room must run which in some ways is very different to the "old ways".

IMAGE: Amadio Colafella,
Head Designer



LEADING THE WAY

“Fostering real relationships is vital to making sustainability work. You need to change your focus from everyone in your supply chain being a supplier, to being an extension of your community. It’s only then that you can build trust and honesty and break the barriers with a singular vision of openness, transparency and doing the right thing.”

Amadio Colafella, Head Designer

With over 22 years of experience in the industry, ELK’s design team is led by Amadio Colafella. After joining the team in 2010 Amadio has helped to transform the collections from an accessories focused range into a fully fledged fashion offering.

He leads a team of seven who are focused on the production of high quality, consistent designs that are true to ELK’s aesthetic and styling. The team comes with a combined 160 years of experience!

This extensive work history and knowledge comes with traditional concepts around design and production. With a shift in focus toward a more sustainable operation comes the need for a reimagining of how a design room must run which in some ways is very different to the “old ways”.

At the helm Amadio has immersed himself entirely in re-thinking and challenging traditional processes and re-educating his team along the way.

Integral to the success of this task is our supply chain. We enjoy a close working relationship with our suppliers, fostering this relationship with bi-annual visits, and by hosting them here at ELK headquarters when the opportunity arises.

There are challenges ahead. Many suppliers we work with are already well on their journey to make their operations and supply chains more sustainable. However there are many with a way to go. All are remarking that whilst they are seeing major change in the broader industry that at ELK we are asking questions that no one else is. We are diving deeper, pushing harder and questioning further than anyone else.

Amadio is our champion for this cause. He is on the ground with our suppliers several times a year. He is sharing information and researching on behalf of our suppliers. Our factories already run busy operations and whatever we are asking of them now is extra work. We are asking them to spend more time, commit to additional staff resources, and to look outside their regular channels to find new more sustainable providers.

Many of our suppliers have generations of dealings with their tier two and three suppliers and we are in many cases asking them to look for new sources. This takes time and coupled with the fact that we design eighteen months ahead, the flow-through of product to market also takes time. Our challenge too is that we work across so many different categories from footwear to apparel, jewellery to eyewear — it is no easy task.

Where there is promise for improvement, we will work with our existing suppliers and support them to find better ways and materials to work with.

One of our greatest challenges is gaining access to the most sustainable suppliers and factories whose production space and capacity is often consumed by larger international brands. We are finding that their production lines are full and opening space to smaller brands like ELK isn’t something that is happening easily. Where we can commence relationships we will.

The team’s commitment to seeing change is inspiring. Whilst we still have a lot to learn there are some key ways in which we are sweeping change through the design department. We have to be a united front with our suppliers to initiate change through demand. We cannot settle for good enough and we are ready for the challenge.

A NEW APPROACH



LEFT TO RIGHT

Caroline Quality Control

Ange Garment Technician

Erika Ethics and Sustainability Coordinator

Tina Design Assistant Apparel

Rishta Garment Technician

Anastasia Production Manager

Gemma Print Designer

Kim Design Assistant Accessories

Key to us achieving our goals is a united team who are prepared to adopt new practices and have hearts and minds open to learn new ways of operating.

A vital element for us to building a design and production team who have ethics and the environment front of mind is to recruit carefully and to provide training opportunities.

The fashion industry is going through rapid change and there is much to learn. Taking time out of the normal work day to prepare our team for this change is crucial. Not only are we committing work hours to training and networking, the team are also attending functions and information sessions outside work hours to help with their personal journeys.

This new era of design and production challenges many of the traditional practices. We have outlined some of the key changes and plans for the future.

KEY CHANGES IN THE DESIGN

DEPARTMENT PROCESSES:

- All conventional fabrics are being re-sourced or redesigned for more sustainable options.
- New custom fibre blends are being created.
- Identifying and shifting away from the small number of existing suppliers who are unwilling, unable or not inspired to change and improve. Our focus is on bringing on more vertical suppliers some of whom will have product hitting market for us in 2020.
- Change in traditional design and production administration processes with redesigned tech packs to better capture material and supplier information.
- All trims are under review including thread, zippers and buttons.
- Consideration for reducing waste is resulting in changes to pattern making and creative ways to use up smaller scraps and pieces.
- Designing with recycling in mind is being introduced so consideration is being giving to the materials we use in components such as linings, trims and fusing. We are aiming to use pure materials that can be more readily recycled, and increase our use of recycled content.
- Our design and sampling process considers the number of samples and works to reduce the frequency of sampling and freighting.

NEXT STEPS

- Strengthening our new supplier onboarding process which includes the pre-vetting processes, audit requirements and signing our Supplier Code of Conduct.
- Investigating the use of technology in the initial design process, such as 3D design software, to reduce the number of physical samples required.
- Researching the areas that we don't have enough visibility on, for example, metals mining, and tracing our supply chain for these categories.
- Centralising our trims supply, for greater consistency and transparency.
- Focusing on specific categories for circular design. Dissecting products like shoes to investigate how to make them more sustainable from the inside out, without compromising quality, comfort or durability.
- Resourcing all of our woven and care labels with more sustainable options.

CLOSING THE LOOP



The principals of circular design aim to close the loop on traditional linear production models ensuring responsible environmental practices from design right through to next use. Our approach is to create quality products, timeless designs, to repair when needed, re-home, upcycle and finally recycle.



CIRCULARITY

We support circular design principles and are incorporating these into our work in numerous ways.

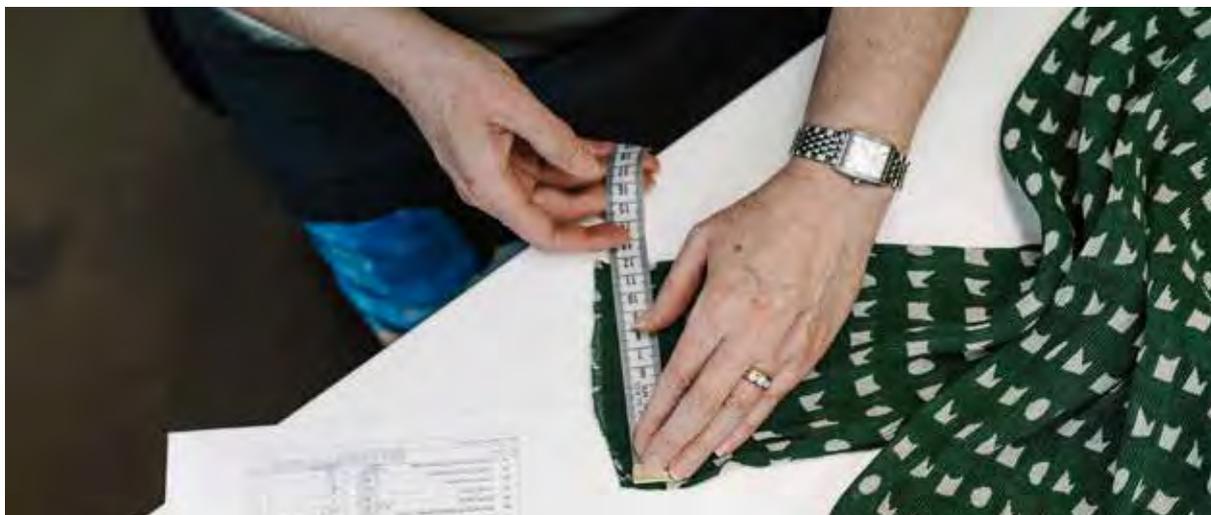


IMAGE:
Quality
assurance
steps

TIMELESS DESIGN

We are not a fast fashion brand. Our core offering is designed to complement existing pieces and we encourage customers to combine new items with their existing wardrobe. Our leather bags are a long-term investment and if properly cared for will also last for many years. Our timeless designs are mostly offered in neutral colours, ensuring they will last season after season.

MATERIAL SELECTION

Our preference is to work with natural materials from renewable resources, such as cotton, wool, linen, hemp viscose, wood and leather. Where necessary, for function or durability, we will incorporate synthetic materials but our aim is to keep these to a minimum and use only recycled options. We are actively working to increase our use of renewable, recycled and recyclable materials.

REMNANT FABRIC

We have audited remnant fabric from the production of our previous ranges, and are working with our suppliers to produce small runs of apparel with this fabric. The first range of remnant apparel will be included in our Summer 2020 collection.

DESIGN FOR MINIMAL WASTE

For our printed garments, we design all over repeat prints that are multi-directional instead of placement prints. This allows for the fabric to be cut in the most economical way and reduces wastage.

We also design both our garments and bags with additional seams (for example, a centre back seam on a dress). This results in smaller pattern pieces and gives greater flexibility on how they can be placed, again reducing wastage.

DESIGN FOR LONG LIFE

We test all of our garments and products prior to proceeding to bulk manufacturing. Our dedicated quality assurance team ensure the final product meets our strict standards and is functional, durable and the perfect fit.

For apparel this means:

- wear-testing to ensure comfort and fit.
- checking for stress points or design faults.
- wash-testing to ensure appropriate care instructions are given for each fabric.

For our bags and footwear this means:

- wear-test for functionality.
- strength-test for durability.

These processes help reduce production waste resulting from faulty products and customer returns.

END-OF-USE

We are working to extend the life of our products and ensure we find responsible 'next use' solutions at the end of their lifecycle.

When an item is faulty, our preference is to repair it. However when a product is unable to be repaired but is still wearable (for example, a print fault), we donate this item to Fitted For Work. This local charity supports disadvantaged women looking to return to the workforce.

If a product is no longer usable, we remove any hardware that we may be able to use for future repairs and up-cycle or recycle the remaining materials.



ELK VINTAGE + SLEEPBUS

TAKE-BACK PROGRAM

In 2018 we conducted a trial take-back program where staff were encouraged to return any good-quality ELK items they no longer wear. These were sold through our warehouse sale as 'ELK vintage and pre-loved' items. Customers were excited to see a few old favourites no longer available through other avenues and everything sold very quickly.

We partnered with charity organisation, Sleepbus, for the event, with all money from the sale of these items donated directly to them. We asked customers for an additional donation at checkout and raised a total of \$2330 for Sleepbus.

We are excited to be extending this program to our customers and aim to have our next ELK Vintage sale in 2019.

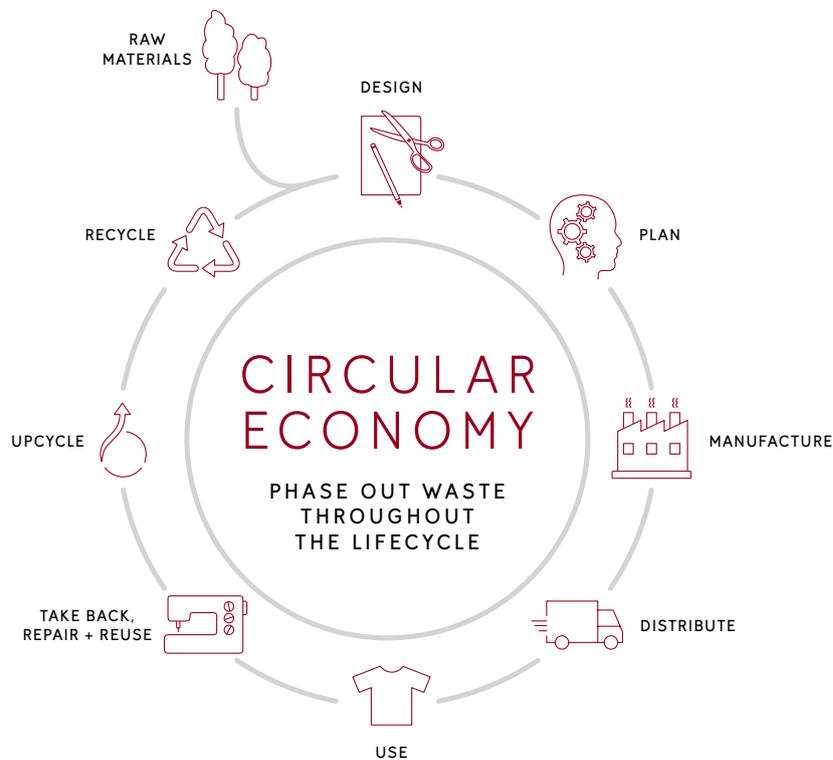
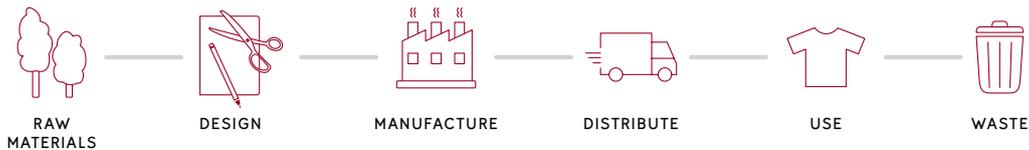


IMAGE: ELK
Vintage sale

THE FUTURE OF FASHION IS CIRCULAR

We recognise that the shift from a linear model to a circular one needs to be a coordinated effort with the entire industry and stakeholders such as governments and recyclers. We are taking a collaborative approach to creating a more sustainable, circular business model.

LINEAR ECONOMY



NEXT STEPS

- Work with key suppliers to identify production waste and develop a strategy to reduce, reuse or recycle.
- Increase our use of materials that are renewable, recycled or recyclable including recycled leather, recycled polyester (when necessary), and remnant fabrics and leather.
- Introduce recycled cotton and wool, and man-made cellulosic fibres (MMCF) made from textile waste.
- Explore additional options to take back pre-loved ELK products for resale, reuse or recycling and extend our ELK Vintage program in 2019.



BOOMERANG BAGS

REMNANT FABRIC

Boomerang Bags is a charitable organisation that makes bags from donated fabric, diverting it from waste. These bags are available to purchase with profits going toward items that are needed to produce the bags, for example, to buy thread and service sewing machines. Many grocers have the bags available in store for customers to borrow when they forget to bring their own reusable bags from home.

We donate many of our test prints and fabric strike-offs to Boomerang Bags. In 2018 we donated enough fabric for 200 bags and stitched together over 30 more bags during an internal working bee. We sell these through our retail outlets with profits going back to Boomerang Bags.



IMAGE: ELK
workshop for
Boomerang
Bags

LANG
33

← PRESTON & THORNBURY

BORROW

— & —

BRING BACK

← PRESTON & THORNBURY

BORROW

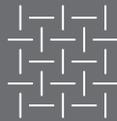
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BRING BACK



IMAGE: ELK denim
in production

MATERIAL MATTERS

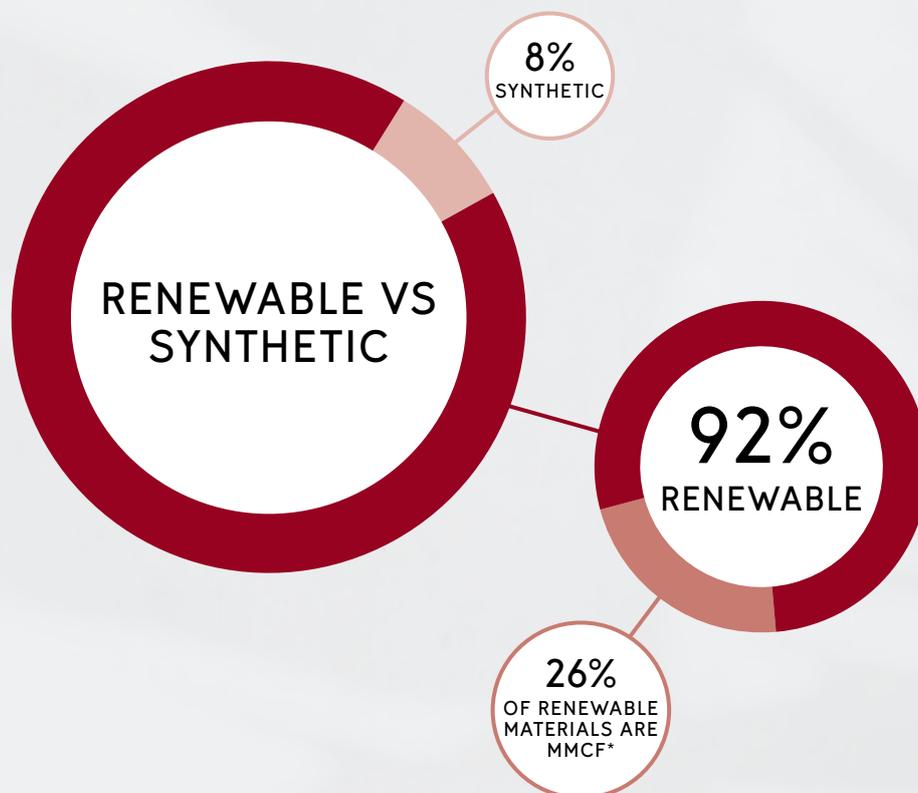


The greatest environmental impact of our business comes from our products: the way we design; the materials we choose; the methods we use for production; how we care for them; and then what we are left with. With a commitment to reduce our footprint, a key focus for us is on improving products through our material selection.

MATERIALS USED

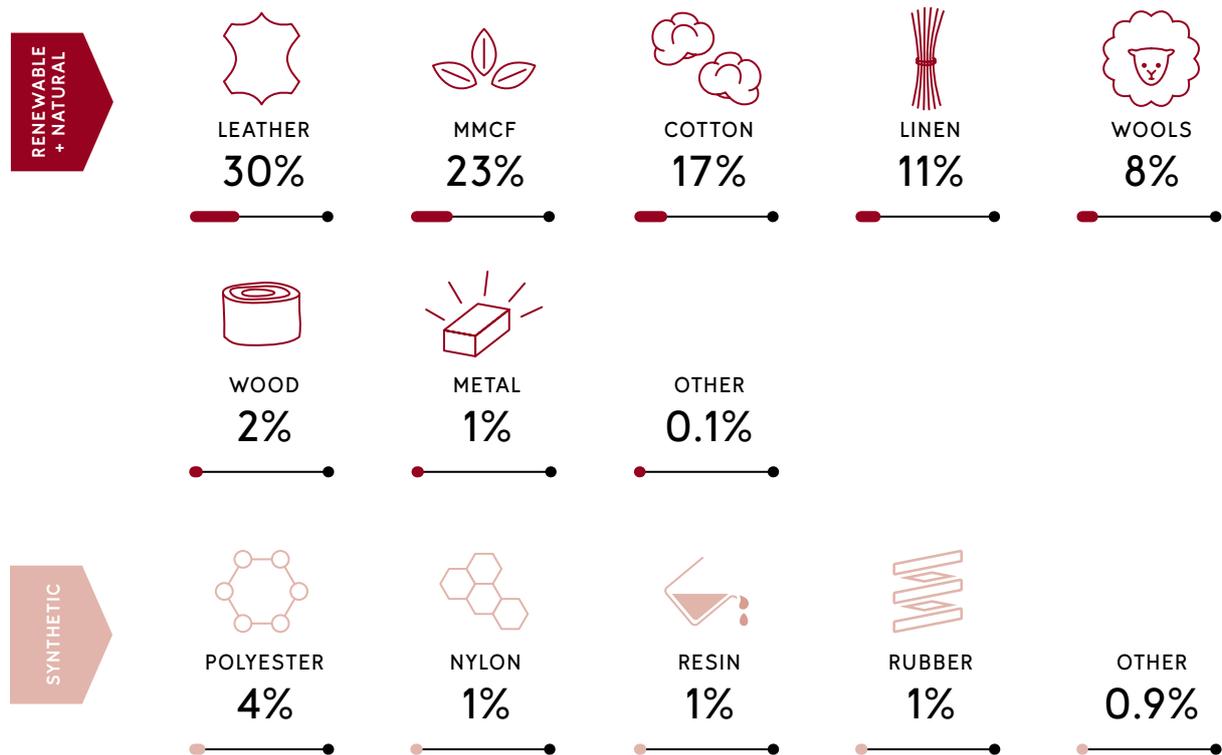
The materials we choose to work with have a huge impact on our range in many ways. The challenge for us is to lessen our environmental impact by making informed and considered fabric selections, while still maintaining great quality, wearability and appearance at a price point that is accessible.

We work with a broad range of materials across apparel, bags and wallets, footwear and jewellery. We have identified the key materials that make up the bulk of our collection and have been focusing our attention on improving our options in these areas first, with a view to review all our materials over time.



* Man-made cellulosic fibres

TOTAL MATERIAL CONSUMPTION BY WEIGHT*



THESE SIX MATERIALS THAT MAKE UP APPROXIMATELY 93% OF OUR TOTAL CONSUMPTION BY WEIGHT*

MATERIAL + CONSUMPTION*	2025 MATERIAL GOAL
 <p>LEATHER – 30%</p>	<p>100% OF LEATHER TO COME FROM LWG MEMBER TANNERIES</p> <p>This ensures that the tanneries have been audited by Leather Working Group (LWG) and rated according to their environmental practices, including a score for traceability.</p>
 <p>MMCF – 23% Man-made cellulosic fibres</p>	<p>100% ENVIRONMENTALLY PREFERRED MMCF</p> <p>This includes MMCF staple fibres that have been tracked and verified as coming from suppliers identified as low risk by Canopy, FSC certified, closed loop production, recycled or made from agricultural residues.</p>
 <p>COTTON – 17%</p>	<p>100% MORE SUSTAINABLE COTTON</p> <p>This includes cotton sourced as Better Cotton through the Better Cotton Initiative (BCI), certified organic, Fairtrade and/or recycled.</p>
 <p>LINEN – 11%</p>	<p>100% ORGANIC LINEN</p> <p>Although the amount of organically grown linen globally is small, we will look to use certified organic for all of our linen garments.</p>
 <p>WOOLS – 8%</p>	<p>100% RESPONSIBLE WOOL</p> <p>This includes non-mulesed merino, Responsible Wool Standard (RWS) certified, recycled or wool from farms using regenerative farming practices.</p>
 <p>POLYESTER – 4%</p>	<p>100% RECYCLED SYNTHETICS (POLYESTER, NYLON, LYCRA)</p> <p>We are aiming to minimise our use of synthetics, and keep below 10% of total materials used. When we do need to use them our goal is to source 100% recycled options.</p>

*This figure is based on 2018 unit purchases, product weight and composition. Where data was not available, we have used averages to calculate as accurately as possible.

MATERIAL POLICIES

ANIMAL WELFARE POLICY

We are committed to the humane treatment of animals and do not use fur or farmed fur, angora rabbit hair or mohair in any of our products.

We preference wool that is responsibly farmed and processed. We do not support the practice of mulesing and from Winter 2022 will be using 100% verified non-mulesed merino wool in our knitwear collections.

Leather and skins must be from domesticated farm animals and obtained as a by-product of meat production. This includes our hair on hide leather. We do not use or accept exotic skins.

We do not use any materials from vulnerable or endangered species which appear on either the IUCN Red List of Threatened Species or Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) lists.

Our Animal Welfare Policy outlines our requirements regarding the humane treatment of animals in our supply chain, and forms part of our ELK Supplier Code of Conduct.

CHEMICALS

ELK has developed a Manufacturing Restricted Substances List (MRSL), detailing the chemicals that must not be used in the manufacture of our products. It is based on the Zero Discharge of Hazardous Chemicals (ZDHC) Manufacturing Restricted Substances List (MRSL) and relevant Australian and international safety standards.

This list includes banned azo dyes, skin sensitizing dyes, per- and poly-fluorinated chemicals (PFCs), chlorobenzenes, formaldehyde, alkylphenols (APs) and alkylphenol ethoxylates (APEs), organotin compounds, phthalates, chlorinated solvents, chlorophenols, short chain chlorinated paraffins (SCCPs), flame retardants, and heavy metals (chromium VI, lead, mercury, nickel and cadmium).

We recognise that this is just one step towards ensuring no hazardous chemicals are used in our supply chain, and we are working with our suppliers to ensure that any chemicals used meet these standards.

IMAGE: Shoe making at Gupta
RIGHT: Digital printing inks







NATURAL MATERIALS

We give preference to natural, renewable materials. As a general rule, these are biodegradable so have minimal end-of-use impact.

By tracing the origins of these materials and following the process from farm through to manufacturing, we can aim to work with suppliers who are using best practice. This ensures minimal environmental impact and greater health and wellbeing of all those who work within the supply chain.

COTTON

Derived from the seed pod of the cotton plant, the fibres are strong and durable. Cotton fabric is cool, comfortable, absorbent and breathable. Standing up well to washing and abrasion, cotton wears well and holds colour over time.

Cotton can be woven or constructed in numerous ways to create different weight and feel. Some of the cotton variations we use include denim, sateen, jersey, cord, poplin and twill.

Cotton also blends well with other fibre types to create a wide variety of versatile fabrics.

ENVIRONMENT

While cotton is a renewable resource, it is a very water, fertiliser and pesticide-intensive crop. These chemicals pollute soil and waterways and impact the health of ecosystems, farm workers and local communities. Cotton production can result in soil erosion and degradation and increasing areas of natural habitat being converted to agriculture.

SOCIAL

Cotton is a very profitable 'cash crop' providing income to more than 250 million farmers worldwide*. However there are human rights issues, including use of forced labour, found in conventional cotton supply chains.

STRATEGY AND GOALS

OUR 2025 GOAL IS TO SOURCE 100% MORE SUSTAINABLE COTTON.

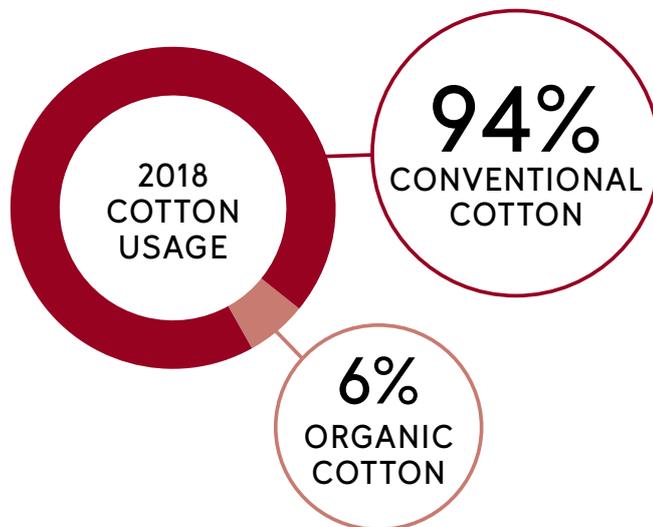
This will be achieved by increasing our use of certified organic cotton, either the Global Organic Textile Standard (GOTS) or Organic Content Standard (OCS), working with Better Cotton Initiative (BCI), and sourcing cotton that is Fairtrade certified or recycled.

WHAT WE HAVE ACHIEVED

In 2017 we started working with Fairtrade certified supplier, Rajlakshmi Cotton Mills, in India to produce a small range of garments made from 100% GOTS certified organic cotton. The range was launched in Australia and New Zealand in July 2018 as part of our Summer 2018 collection.

We have signed up to the Better Cotton Initiative (BCI) and our membership will be active as of May 2019. Our goal is to be using at least 50% Better Cotton by 2023.

We have also signed the Responsible Sourcing Network Cotton Pledges. These pledges are a commitment to not knowingly source cotton from Uzbekistan or Turkmenistan due to known human rights violations and forced labour in these supply chains.



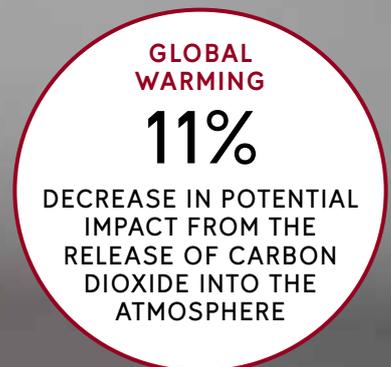
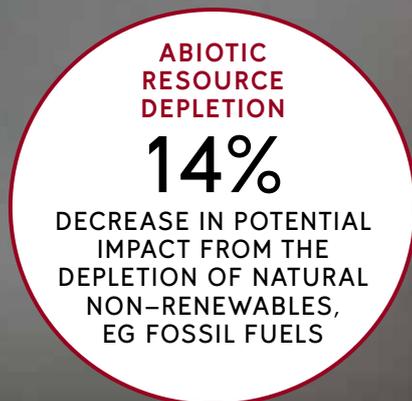
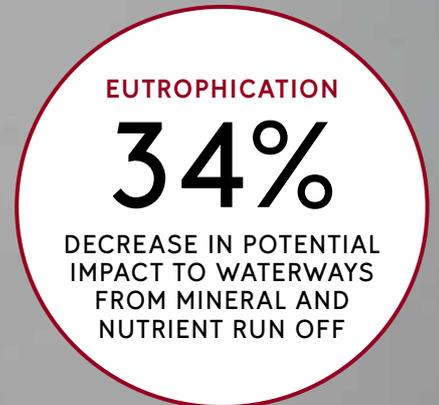
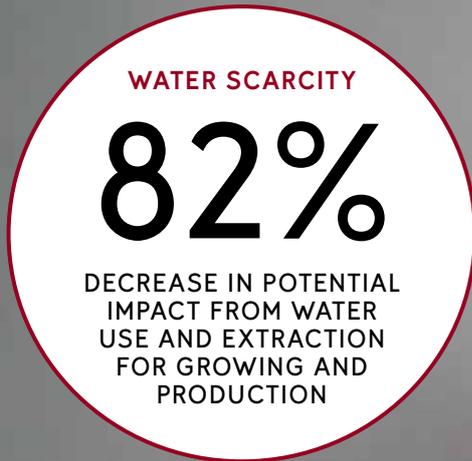
NEXT STEPS

- Focus on traceability in our supply chain so we can map our next tier suppliers, including mills, dyehouses, spinners and farms to better understand where our cotton is coming from.
- Work towards our aim that 50% or more of our cotton will be sourced as Better Cotton by 2023.
- Resource all ELK Stockroom apparel styles with more sustainable fibres.
- Increase our use of organic cotton and continue to look for recycled options.

*Data from World Wildlife Fund

BENEFITS OF ORGANIC COTTON FIBRES FOR THE VIND DRESS

100% GOTS CERTIFIED ORGANIC COTTON





WE CONSIDER THESE TO BE MORE SUSTAINABLE
OPTIONS THAN CONVENTIONAL COTTON

RECYCLED

CERTIFIED RECYCLED COTTON

As part of our commitment to circularity, we would like to be working with recycled cotton however we are aware this is not widely available and is difficult to source. We are actively sourcing new suppliers of recycled cotton fibres for use in our future ranges.

GOTS

GLOBAL ORGANIC TEXTILE STANDARD

GOTS is recognised as the world's leading standard for organic textiles. To achieve this standard; materials must contain a minimum of 70% organic fibres; producers must meet the highest level of environmental criteria along the entire supply chain from fibre to dyes and garment manufacturing; and comply with social criteria throughout each stage.

OCS

ORGANIC CONTENT STANDARD

Materials with an OCS rating must contain 95–100% organic fibres with independent third party verification. This standard guarantees traceability of fibres through all stages of the manufacturing process.

BCI

BETTER COTTON INITIATIVE

BCI exists to make global cotton production better for the people who produce it, better for the environment it grows in, and better for the sector's future. BCI trains farmers to use water efficiently, care for the health of the soil and natural habitats, reduce use of the most harmful chemicals and respect the rights and wellbeing of workers. BCI connects people and organisations throughout the cotton sector, from field to store, to promote measurable and continuing improvements for the environment, farming communities and the economies of cotton producing areas.

WOOL

Wool is extremely good at regulating temperature as it can retain moisture (up to 30% of its weight) without feeling wet, whilst drawing moisture away from the body. It has natural anti-microbial properties that prevent mildew, mold and sweat from building up in the garment.

ETHICS AND ENVIRONMENT

Wool is a natural fibre that is renewable, durable, biodegradable and recyclable. Potential issues arise around animal welfare and land degradation as a result of unsustainable farming practices.

STRATEGY AND GOALS

WE DO NOT SUPPORT THE PRACTICE OF MULESING AND BY 2022 ALL OF OUR MERINO WOOL WILL BE VERIFIED AS NON-MULESED.

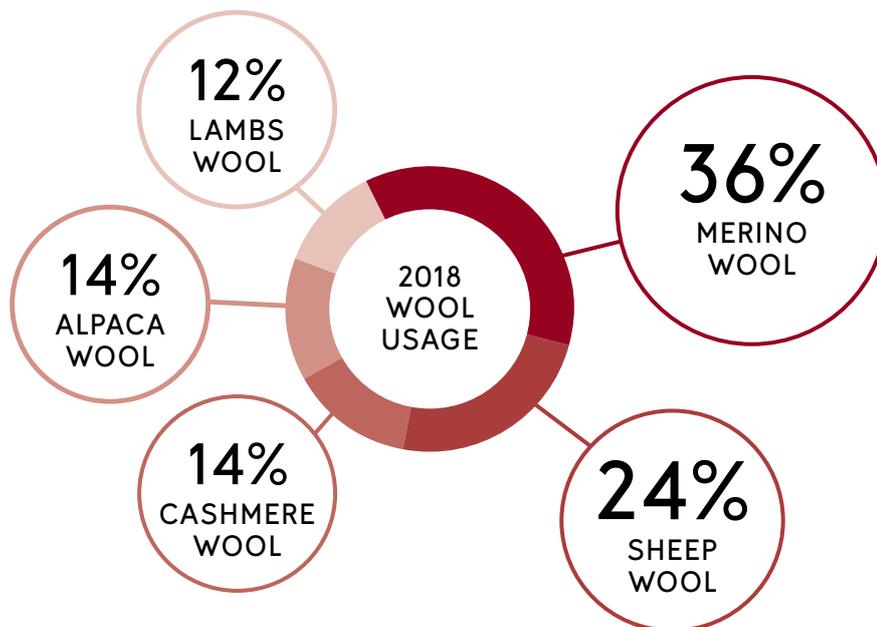
Our 2025 goal is to use 100% responsible wool. This includes Responsible Wool Standard (RWS) certified, recycled wool and wool from farms using regenerative farming practices. Our search for more responsible wool options is ongoing.

THE FUTURE OF KNITWEAR

Innovation within the industry in recent years has led to the development of new yarns and fibres with better environmental credentials. We have established a strong working relationship with yarn producers, Novatex and UPW, who ensure that we are across latest developments. We are trialling a range of more sustainable yarns, including RWS certified yarns, and working to build an internal library of preferred yarns that we can draw on for future collections. This yarn trial will look at:

- supply chain from seed or farm, including mills, dyehouses and spinners.
- environmental benefits.
- performance expectations based on in-house testing.
- comparative price.

In addition to RWS yarns and blends, this sustainable yarn library will also capture organic cotton, hemp, linen and other technical yarns.



NEXT STEPS

- Trace our wool back to farm to better understand the issues and farming practices in our supply chain.
- Research responsible wool options and best practice.
- Test the viability of a range of more sustainable wool yarn options and complete our knitwear yarn library.

IMAGE:
Developing
our future
fibre library







IMAGE:
Making ELK
bangles at
Earth Works

WOOD

All wood used in ELK jewellery is from pittosporum pentandrum trees, also known as pangantoon or mamalis. This timber is primarily used in jewellery production and for traditional handicrafts. After the beads are dyed, they are finished with a natural wax polished for surface protection.

ENVIRONMENT

The timber used is grown in the Philippines in sustainably managed plantations accredited by the Department of Environment and Natural Resources (DENR).

SILK

Silk is a natural protein fibre taken from the cocoon of the silk worm. Each cocoon yields approximately 1000 metres of continuous yarn that is the strongest natural fibre available.

Silk absorbs moisture well, making it cool in summer and warm in winter. It is readily dyed in a wide range of deep colours, with a luster that drapes well and retains its shape.

ETHICS AND ENVIRONMENT

Silk is a renewable natural resource with a relatively small environmental footprint. There are animal welfare issues around the treatment of the silk worm.

NEXT STEPS

We use very little silk and for future collections we are exploring options for working with a vertically integrated supplier to ensure complete transparency in the farming and processing.

LINEN

Made from the fibres of the flax plant, linen is labouriously harvested, spun into yarn and then woven or knitted into linen fabrics. Linen is the strongest plant derived fibre with two to three times the strength of cotton.

Cool and breathable, linen is a perfect summer fabric. It is durable and can withstand abrasion comparatively well. The fabric will relax with wear and become softer with each wash.

Linen often has a natural look, enhanced by 'slubs' (small knots which occur randomly along its length). This is a natural part of the process and does not compromise the integrity of the fabric. In fact, for us it is part of the appeal.

ENVIRONMENT

Conventional linen crops have a relatively low environmental impact compared to conventional cotton crops. The flax plant is grown in a temperate climate and requires minimal irrigation, fertilisers and pesticides. Our linen is farmed in France.

NEXT STEPS

We are working to replace all conventional linen with certified organic alternatives.

NEXT STEPS

- We will introduce new, alternative fibres into our future collections including yak and hemp.

LEATHER

Leather is a natural product that will break down over time so it is tanned in a number of different ways to preserve the skin. Our preference is to work with a natural material such as leather, rather than synthetic (PU or PVC) materials, as it is biodegradable at the end of its lifecycle.

Our leathers are a by-product of the meat industry. No animal is grown only for its hide. We source our skins from different parts of the world according to the natural properties which are chosen for their intended use. Smaller, more fragile, thinner skins like goat are used for gloves or small items like clutch bags where use is light or infrequent. We also use thinner skins when we intend to make items with high levels of detail such as folding, quilting or beading due to its flexibility and pliability.

We select heavier skins like cow or buffalo when we need larger panels or are making items with more frequent use like back packs, travel bags or satchels. These types of hides are often more grainy in appearance, thicker and weightier. They generally last longer however it is difficult to achieve a smooth or consistent appearance without considerable work or processing.

We tan our hides in different ways depending on the intended design aesthetic and use. Each method is highly specialised and the skins often need multiple treatments in order to achieve the colour and appearance desired.

Leather production has a large environmental footprint. Regardless of the tanning process used, it is very water and chemically intensive to produce and tan the hides. The tanning process determines the level of impact.

VEGETABLE TANNED LEATHER

Vegetable tanned leather is a unique process using natural plant tannins and without the use of chromium sulphate salts. Hides are soaked in baths of tanning liquor made from plant extracts such as roots, bark, leaves, and seed husks. These materials are rich in tannin and impart colour into the leather. This method of tanning produces a firmer, stronger result however it does take longer and is more water intensive. Generally it is the most environmentally friendly tanning method and our preferred option. We are looking to increase the use of this leather and are actively working with key suppliers to develop new options.

SEMI-VEGETABLE TANNED LEATHER

Semi-vegetable tanned leather is also tanned using natural plant tannins however it is chemically finished, giving a soft finish.

MINERAL TANNED LEATHER

Mineral tanning, also known as chrome tanning, is a faster process and less intensive than traditional vegetable tanning. It produces softer and more pliable skins and can achieve bright, vibrant colours using synthetic dyes. "Chromium salt is the most widely used mineral agent, but salts from aluminum and zirconium are also used. In mineral tanning the hides are soaked in saline baths of increasing strength or in acidic baths in which chemical reactions deposit salts in the skin fibres".* However if the process waste is not treated and disposed of responsibly, the resulting chemical pollution can negatively affect health and local ecosystems.

We do not use chromium VI in any tanning processes for our leathers and include this in our restricted chemicals list.

RECYCLED LEATHER

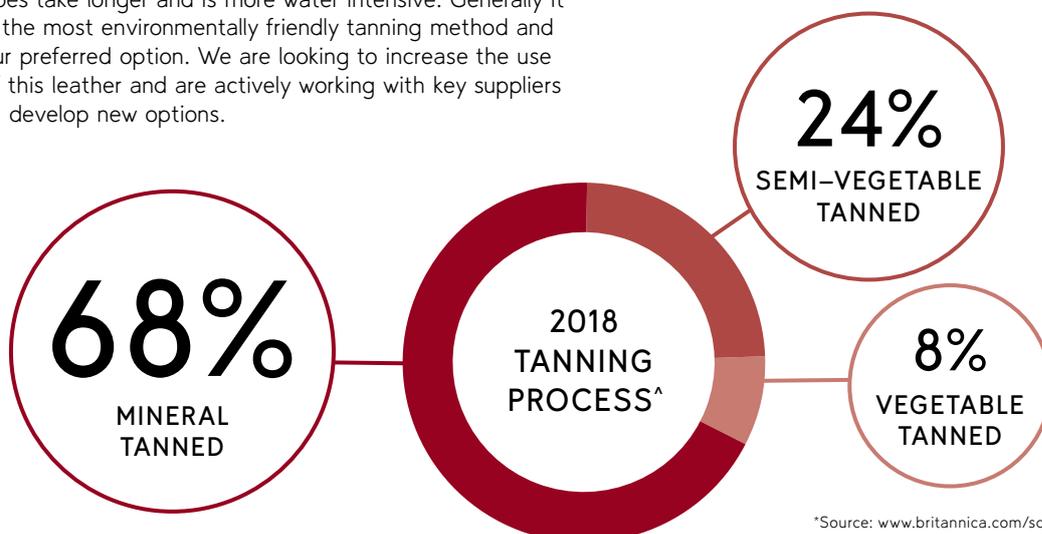
Recycled leather is made from leather scraps that have been ground to a fine pulp, refined, mixed with binders and rolled into sheets ready to use.

The scrap leather is sourced from various factories, using the offcuts from a broad range of leather products, and diverting them from landfill. There is no additional tanning process involved in the making of recycled leathers.

We have been working with two suppliers to source recycled leather. They both use rubber as a binding agent however one supplier is using 100% natural rubber while the other is using a mix of 50% natural and 50% synthetic rubber.

REMNANT LEATHER

We have a remnant leather program that utilises existing remnant stocks that our manufacturers have on hand, ensuring that none of it goes to waste. We will continue to expand this in future ranges.



*Source: www.britannica.com/science/chromium

^These percentages are based on our current list of approved leathers rather than annual consumption.



LWG

LEATHER WORKING GROUP

**BY 2025 ALL OF OUR LEATHERS WILL BE SOURCED
FROM TANNERIES THAT ARE MEMBERS OF LWG**

The Leather Working Group (LWG) is working to improve the leather manufacturing industry, bringing visibility to best practices and providing suggested guidelines for continual improvement.

The LWG is made up of member brands, retailers, product manufacturers, leather manufacturers, chemical suppliers and technical experts that have worked together to develop an environmental stewardship protocol specifically for the leather manufacturing industry. This protocol assesses the environmental compliance and performance capabilities of leather manufacturers and promotes sustainable and appropriate environmental business practices within the leather industry.

Leather manufacturers can be audited and rated against the LWG protocol, which looks at environmental practices, chemicals management and hide traceability.



COUNTRY OF ORIGIN OF RAW HIDES



STRATEGY AND GOALS

Our focus is to ensure that the leather we use is farmed and processed in the most environmentally responsible and least impactful way.

Our 2025 goal is to source 100% of our leather from LWG tanneries.

We are also working towards 20% of our leather being either vegetable tanned or recycled and eliminating patent leather from our ranges from Summer 2020.

We would like to be able to trace the hides back to the farm to ensure that the animals are treated humanely throughout their life.

NEXT STEPS

- Further map our supply chain back to farm and improve overall transparency.
- Ensure that the tanneries have responsible chemical and water management practices.
- Increase our use of vegetable tanned and recycled leathers.
- Continue to grow our remnant leather program.

TANNERIES TIER 2

With 70% of our leathers currently sourced from LWG rated tanneries, we are well on our way to achieving our 2025 goal. We are pleased to share the details of some of our LWG rated tanneries. We will continue to work towards greater transparency in this area.

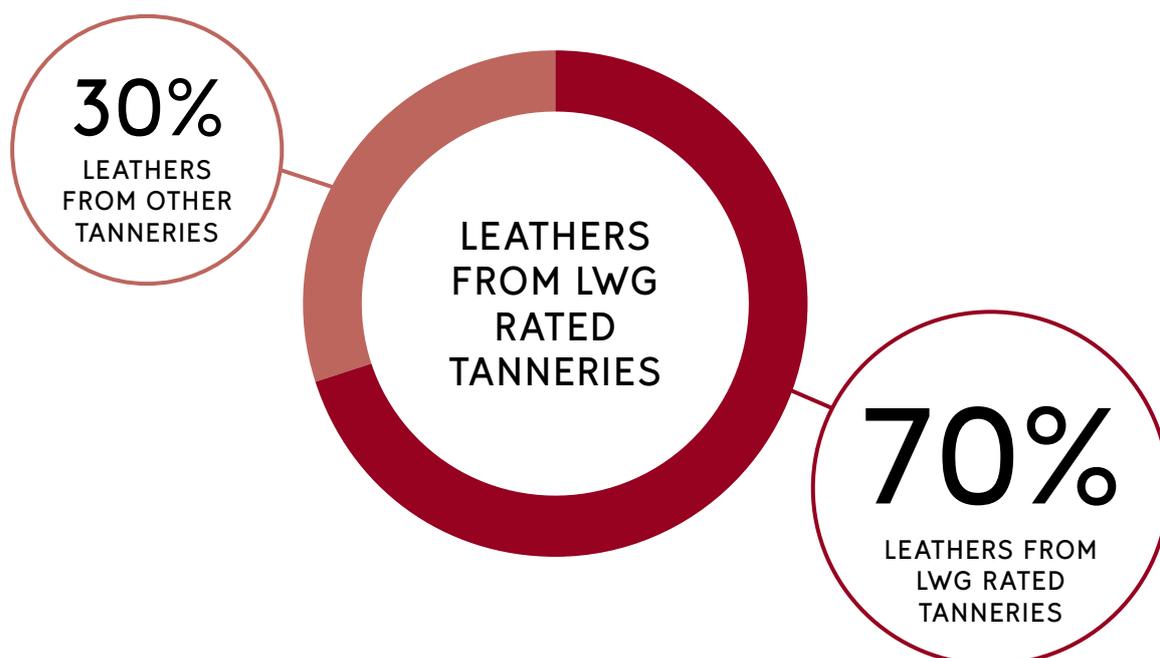
LIST OF LWG MEMBER TANNERIES THAT WE SOURCED FROM FOR 2018 PRODUCTS

TANNERY	ADDRESS	LWG RATING	TRACEABILITY SCORE (LWG)*
Apex Footwear	Tannery Unit, East Chandra, Shafipur, Kaliakoir, Gazipur District 1751, Bangladesh	GOLD	A (90–100%)
Dada Enterprises	Iqbal Nagar, Wadana 8.5km, Main Ferozepur Road, Tehsil and District Kasur, Pakistan	SILVER	0%
Ever Dynasty	XiaoBian No. 4 Industrial zone, Block 6, 1/F, ChangAn Town, Dong Guan City, GuangDong Province, China	GOLD	0%
Piel Color Company	(Private Free Zone), Quwaisna City Egypt PO: 32684, Muenofya Governorate, Cairo – Alexandria, Agricultural Road, Arab Republic of Egypt	AUDITED	0%
Tata International	Leather Division, Industrial Area, Agra–Mumbai Road, Dewas, Madhya Pradesh, India	GOLD	C (0–49%)
Zuha Leather	1056/E, Konamedu, Vaniyambadi 635751, District Vellore, Tamil Nadu, India	GOLD	0%

*LWG has included a section within the audit protocol to assess a supplier's ability to be able to trace their raw material back to the slaughterhouse. With this information and in co-operation with NGOs, the LWG aims to reduce the impact cattle ranching has on deforestation around the world.

Within the leather industry the ability to trace material can be variable depending on the scope of production, the location and the type of material processed. Typically, those sourcing directly from slaughterhouses have good traceability as opposed to those that buy through traders or produce from semi-processed material.

Currently, a leather manufacturer's ability to trace their material is scored depending on the percentage traceable and the method of traceability. The LWG considers the physical stamping of the material the most robust method at this time.



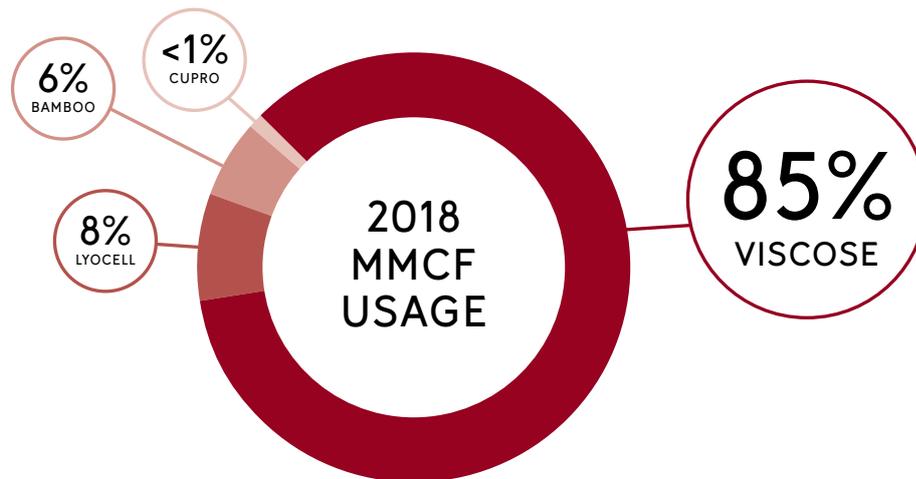


MAN-MADE CELLULOSIC FIBRES

The fibres for these fabrics are sourced from natural, renewable resources and are biodegradable, however we are mindful of the potential impacts on human health and the environment relating to the sourcing of wood pulp from old growth forests, and the chemically intensive processes used to manufacture the yarn.



IMAGE: Photography by Paul Hilton, courtesy of Canopy



We use a range of man-made cellulosic fibres (MMCF) including lyocell, viscose, cupro and bamboo. We enjoy working with these fabrics because they breath well, hang well, wash well and are easy to dye and print with beautiful, vibrant colours.

Our preference is to work with fabrics such as lyocell that are sourced from sustainably managed forests and produced using a closed-loop system, which uses less water and energy, and recycles chemicals to eliminate pollution. We use these fabrics whenever possible, however our final choice of fabric

depends on the desired look, feel and function of the garment, and lyocell is not suitable for all applications.

We are working to ensure that our MMCF are not sourced from ancient and endangered forests, and that they are made using processes that are safe for people and the environment.

To support our commitment to sustainable forest fabrics, we have partnered with the not-for-profit organisation Canopy through their CanopyStyle initiative.



FOREST FABRICS POLICY

SIGNATORIES TO THE CANOPYSTYLE INITIATIVE

In February 2019, we joined the CanopyStyle initiative and launched our Forest Fabrics Policy. Man-made cellulosic fibres (MMCF) make up almost a quarter of our annual materials usage by weight and we are committed to sourcing these responsibly. We are working closely with environmental not-for-profit Canopy, to make the viscose supply chain entirely free of ancient and endangered forest fibres and other controversial sources, and supporting innovative next generation solutions for textile production.

We have started the process of tracing our MMCF supply chains back to the staple fibre producers, and mapping these to the Canopy Hot Button Report rankings. Our target by end of 2020 is to be sourcing 100% of these fibres from GREEN SHIRT ranked suppliers, who are considered low risk for sourcing from ancient and endangered forests. Currently this is Lenzing, Aditya Birla and ENKA. These three suppliers are showing leadership by adopting appropriate policies, undertaking regular audits with industry leading results of low risk and actively collaborating with CanopyStyle.

We have also developed a guideline to **not** source from RED SHIRT ranked suppliers who have been identified as high risk and who are not actively engaged with CanopyStyle. We will transition away from any fibres that we identify as coming from these suppliers.

In March 2019, we wrote to 15 staple fibre producers to follow up on the Hot Button results and to encourage progress, as part of a collective supply chain effort involving all of the 170 CanopyStyle brands and retailers.



IMAGE:
Photography
by A.S.Wright,
courtesy of
Canopy

LYOCELL

Lyocell is made from cellulose fibre from wood pulp. The finished fabric has a soft finish, is extremely durable, tends not to wrinkle and is easy care. It can be made to look like denim, suede, silk, wool or jersey.

ENVIRONMENT

The lyocell used in our garments is produced using a closed-loop system. This uses less water and energy and recycles chemicals to reduce waste. Since there is little waste product, this process is relatively eco-friendly when compared to linear production models.

CUPRO

Cuprammonium rayon, generally referred to as cupro, is made from cotton linter (the fibres that stick to the cotton plant seeds after the cotton fibres have been separated from their seeds). The look and feel of cupro resembles silk. It breathes well and drapes beautifully, with good moisture absorbency and wrinkle resistant qualities. It often has a subtle luster and takes dye very well giving it a rich, luxurious finish.

ENVIRONMENT

Cupro is made from an agricultural residue, so is naturally free of forest fibres, and is manufactured using uses a closed-loop process similar to lyocell.

VISCOSE

Viscose is made from cellulose fibre from wood pulp. Viscose has a silky, smooth feel that can be softer than cotton and more springy than silk. It is durable, breathes well and is comfortable to wear. We choose to use viscose as it prints beautifully and is easy to care for.

ENVIRONMENT

Most viscose is made using a conventional linear process, however it is possible to produce using closed-loop systems. Unfortunately it is estimated that approximately a third of the world's viscose is made from ancient and endangered forests. We have joined the CanopyStyle initiative to ensure responsible sourcing of our viscose.

BAMBOO

Made from the leaves and the soft inner pith of the trunk of the bamboo plant, the look and feel of bamboo fabrics can vary greatly from a soft and silky finish to a more robust denim-like finish. We choose to use bamboo fabrics more in winter as a heavier and warmer alternative to silk.

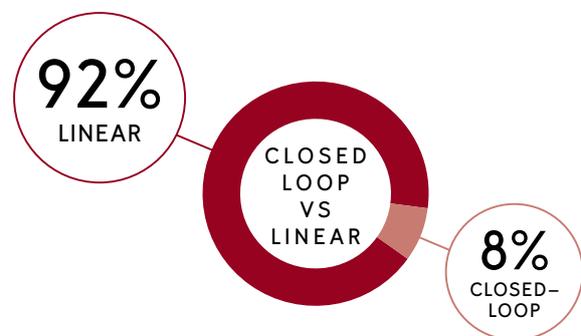
ENVIRONMENT

Bamboo is one of the most sustainable fibres to grow. It replenishes quickly, taking only 8–10 weeks to grow from first shoot to mature plant; needs very little, if any, irrigation; requires no pesticides or fertilisers; and releases high quantities of oxygen.

The environmental concerns with bamboo fabrics arise in the manufacturing process. To our knowledge our bamboo fibres are produced in a conventional linear system. We will work to source options that are produced using a closed-loop process.

CLOSED-LOOP VS LINEAR SYSTEMS

At present, a large majority of our MMCF fibres are manufactured using a linear production model. We are committed to increasing our use of fibres manufactured in a closed-loop system. We will achieve this through focusing on greater transparency in our supply chain, working closely with Canopy, and encouraging the development of new innovative fibres made from agricultural residues (eg straw), and recycled fabrics.



NEXT STEPS

- Complete our review of mills and staple fibre producers and develop a more detailed roadmap based on the findings, including plans to transition away from any suppliers identified as high risk for coming from ancient and endangered forests.
- Increase our use of staple fibres certified to the Forest Stewardship Council (FSC) standard and manufactured using closed-loop chemical and water systems.
- Seek out more innovative sustainable fibre options, such as those made from post-consumer recycled fabric sources and agricultural residues. We will put in place a preference for purchasing MMCF's with a minimum of 50% of these innovative fibre sources by 2020, and develop a 2025 procurement target.
- Support collaborative and visionary solutions that protect remaining ancient and endangered forests such as the Leuser Ecosystem in Indonesia's rainforests and the Broadback Valley Forest in Canada's Boreal Forest.



SYNTHETIC FIBRES

We are working to minimize our use of synthetic fibres to reduce microfibre pollution.

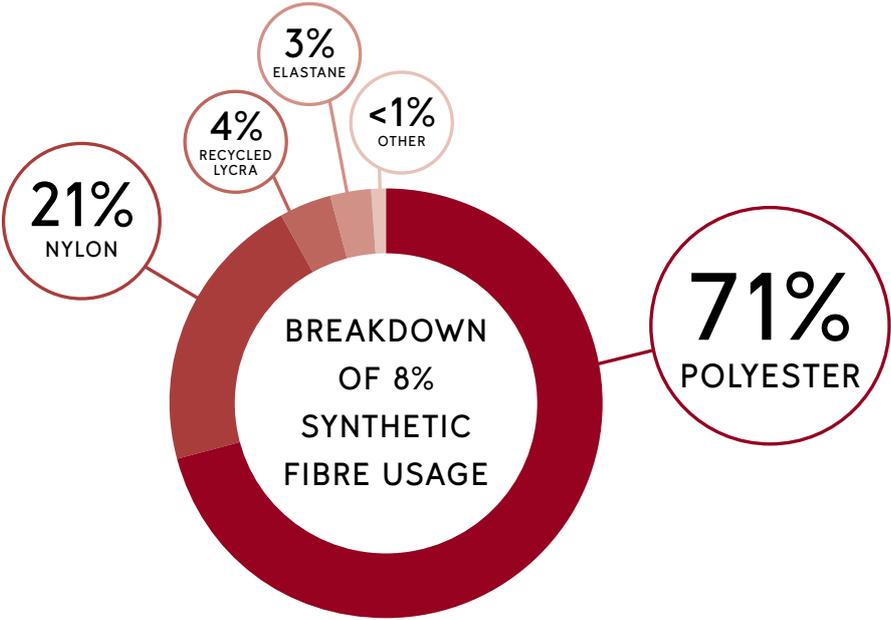
From Winter 2020, we will use no 100% virgin polyester or synthetic materials. These materials will only be used in blends when needed to improve fabric quality and durability, and then we will preference recycled fibres.

Our total synthetic fibre use represented 8% of our total 2018 material consumption.

SYNTHETIC FIBRE OVERVIEW

Man-made synthetic fibres are strong and versatile and when blended with natural fibres, they can extend the life of a garment, leading to less overall waste. They are resistant to stretching, shrinking, abrasion, mildew and staining making them extremely easy to wash and wear. Advances in the manufacturing process have dramatically improved these fabrics over the decades and they are now much more comfortable and appealing to wear.

The key environmental concerns include: they are derived from non-renewable fossil fuels; tiny pieces of plastic called microfibrils are shed during washing and pollute our waterways; and the garments and microfibrils are not biodegradable and have long-term devastating effects on our wildlife and ecosystems.



POLYESTER + NYLON

Polyester and nylon are our most commonly used synthetic fibres, mostly blended with natural fibres such as cotton. This extends the life of these fabrics making them even stronger and longer lasting.

Pure polyester and nylon are very easy to recycle however blends are much more difficult to recycle.

ELASTANE

Elastane, also known as spandex or lycra, is a synthetic fibre known for its exceptional elasticity, stretching up to five times its length. It is stronger and more durable than natural rubber.

Since its invention in 1958 it has revolutionised the fashion industry. By combining it with other fibres, it allows non stretch fabric to stretch comfortably, and return to its original shape after wear. It is often used in tighter fitting garments such as jeans and swimwear.

RECYCLED NYLON WITH LYCRA®

We use Econyl regenerated nylon for our swimwear. It is made from 78% recycled nylon sourced from abandoned fishing nets, blended with 22% Xtra Life Lycra®. Recycled nylon has a significantly reduced environmental footprint when compared to conventional nylon.

RECYCLED POLYESTER

Although our usual preference is to minimise the use of synthetic fibres, we are exploring the use of recycled polyester in our garments. Recycled polyester has one of the lowest environmental footprints of all the available fabrics to manufacture however this does not take into consideration impacts from consumer use and end-of-use. It performs well and is infinitely recyclable in a circular textiles system however the reality is that most polyester ends up in landfill. We will be introducing recycled polyester into our collections from mid-2019.

BENEFITS OF RECYCLED NYLON FIBRES FOR THE EVA RASHIE

78% RECYCLED NYLON

**ABIOTIC
RESOURCE
DEPLETION**

57%

DECREASE IN POTENTIAL
IMPACT FROM THE
DEPLETION OF NATURAL
NON-RENEWABLES,
EG FOSSIL FUELS

**GLOBAL
WARMING**

52%

DECREASE IN
POTENTIAL IMPACT
FROM THE RELEASE OF
CARBON DIOXIDE INTO
THE ATMOSPHERE

WATER SCARCITY

53%

DECREASE IN
POTENTIAL IMPACT
FROM WATER USE
AND EXTRACTION
FOR GROWING AND
PRODUCTION

EUTROPHICATION

42%

DECREASE IN POTENTIAL
IMPACT TO WATERWAYS
FROM MINERAL AND
NUTRIENT RUN OFF

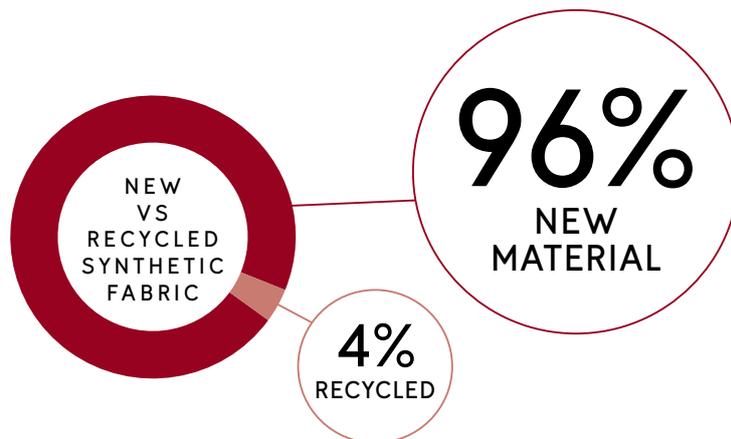
RECYCLED FIBRES OVERVIEW

Generally recycled materials are considered the most sustainable fabrics to manufacture with. Recycling uses existing waste resources and requires much less water, energy and chemicals.

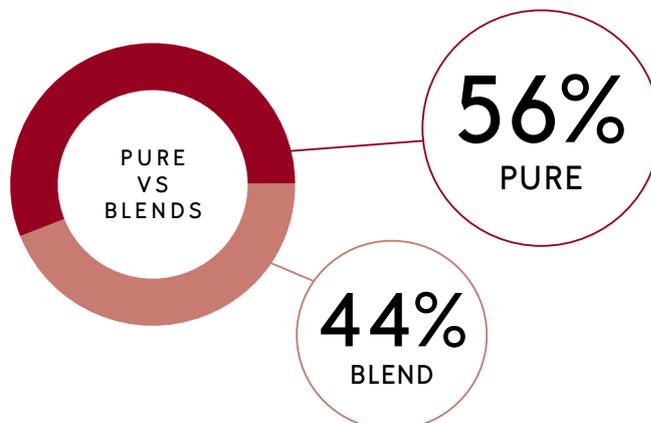
We are aiming to incorporate recycled natural fabrics into our ranges, such as recycled cotton and wool, and are actively working to replace all synthetic materials in our ranges with recycled options.

One challenge we have found in our search is that natural fibres such as cotton and wool are more difficult to recycle than synthetic fibres. Cotton is usually down-cycled into cloth rags or mattress stuffing, rather than being recycled into new cotton fabric. When it is recycled into new textiles, it needs to be mixed with new cotton for strength.

Blends are also more difficult to recycle, however the good news is that the technology for sorting and separating blends is developing at a rapid rate.



This is based on our 2018 material consumption of synthetic apparel fabrics.



Pure fabrics are more easily recycled than blends.

OTHER MATERIALS

METAL

The metal used in ELK jewellery and other products is nickel free and meets the EU REACH standards. It can be recycled through kerbside recycling in many areas, or through specialist metal recyclers.

NEXT STEPS

We are researching recycled metal options for our jewellery, hardware and trims such as zippers.

RESIN

Our resin is a synthetic polymer resin sourced from Germany. It is non-toxic, contains no acrylic and is distinguished by its durability and longevity.

NEXT STEPS

We are exploring options to use plant derived bio-resins for our jewellery.

RUBBER

We currently use all synthetic rubber in our footwear and jewellery. This is readily available, lightweight and durable.

NEXT STEPS

We are investigating renewable, plant derived natural rubber and BLOOM algae foam rubber.

We are still in the early days of researching these options and have met a number of hurdles including minimum order quantities and wearability due to weight.

We are actively exploring options to improve our rubber sources and will continue our discussions with potential suppliers.

IMAGE:
Cleaning
ELK beads
at Zai
Design Hub
(formerly
Avatar)







A GLOBAL FAMILY



Some of the faces behind our
products from top left:

Fluid Connection

Earth Works

Bharat Enterprises

Wellsilk International

Eastlink Sales

Rajlakshmi Cotton Mills

Gupta Overseas

IMAGE:
Threading
ELK swing
tags at
Bharat



SUPPLY CHAIN

Our supply chain is global and complex, with fibres and other materials often travelling across many countries and going through multiple processes and suppliers before they end up in our products. A good example is cotton, which travels from the cotton farm to the ginner, spinner, fabric mill, dyehouse, and cut and sew factory before arriving in our warehouse and retail stores.

We are committed to mapping our supply chain and tracing our fibres and materials right back to their origin, and ensuring that our products are made responsibly, with regard for workers, animals and the environment.

We have long term relationships with our makers and are actively seeking out additional suppliers that share our values. We want to work with suppliers that are going over and above compliance and are demonstrating their

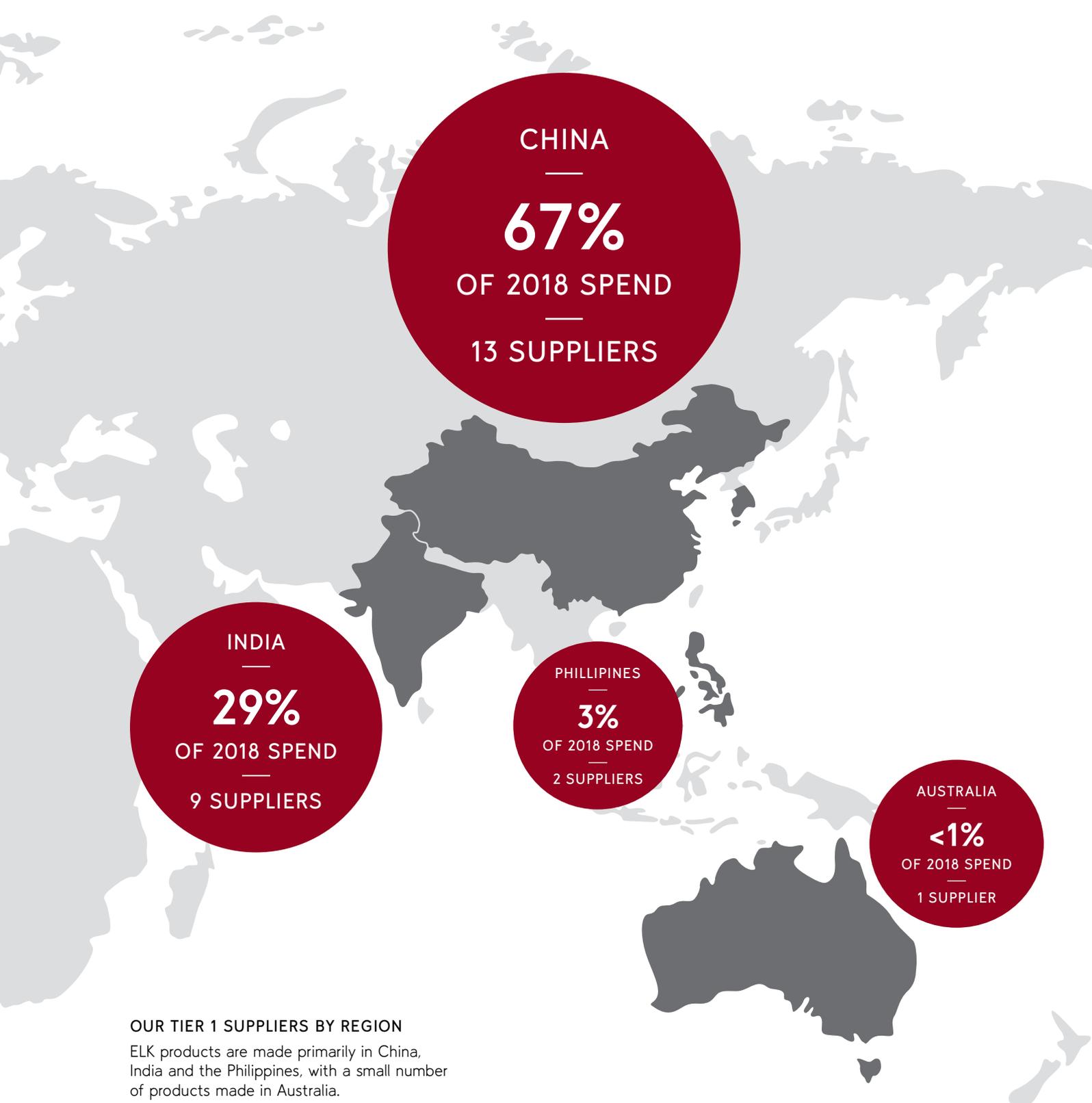
values through implementing ethical and environmental practices and initiatives.

Each one of our suppliers is at a different stage of their sustainability journey, with some just beginning the process and a handful at the other end showing real innovation and leadership. We have an extensive supplier code of conduct which all of our core suppliers have signed. For any areas of non-compliance, our approach is to work with our suppliers on improving their processes, rather than just exiting, as this provides the best outcome for workers and the environment.

We want to share the stories of our makers and their positive practices, as well as the areas we are working to improve.

NEXT STEPS

- Review our viscose supply chains and continue our work with Canopy as signatories to their CanopyStyle initiative.
- Map our tier two and three suppliers, including MMCF staple fibre producers, fabric mills, dyehouses, printers, laundries and tanneries by end of 2019.
- Benchmark a living wage in our supplier regions and develop our living wage roadmap by end of 2019.
- Ensure that our direct suppliers have adequate policies and processes in place to support gender equality and freedom of association by 2020.
- Work with not-for-profit organisations to establish new collaborations with artisan suppliers in a social advocacy role.
- Work with our direct suppliers to identify opportunities to reduce waste and improve energy and water efficiency.
- Develop a water stewardship strategy for the ELK supply chain.
- Continue to search for new suppliers to strengthen our supply chain.



OUR TIER 1 SUPPLIERS BY REGION

ELK products are made primarily in China, India and the Philippines, with a small number of products made in Australia.

CHINA
 Tongxiang, Shanghai, Hangzhou, Shenzhen
 (knitwear, apparel, metal jewellery and sunglasses)

INDIA
 Delhi, Agra, Chennai, Kolkata
 (leather products + organic, fair trade knitwear)

PHILIPPINES
 Cebu (timber and resin jewellery)

AUSTRALIA
 Brookwater (swimwear)

SUPPLIER CODE OF CONDUCT

All suppliers that provide ELK with product must agree to and sign our Supplier Code of Conduct and undergo periodic, independent social compliance audits to ensure our standards are being met.

New suppliers are assessed for appropriate labour practices, workers' rights, workplace safety, business ethics and environmental practices before we will commence any production. We visit all of our direct product suppliers at least once a year, with our key suppliers in China and India visited two to three times a year.

We have a Supplier Code of Conduct which outlines our expectations with regards to labour practices and environmental standards, covering human rights, health and safety, working hours and wages. It is based on the principles outlined in the Ethical Trading Initiative (ETI) Base Code, and it includes additional guidelines for environmental stewardship, restricted substances, animal welfare and ethical business practices.

THE KEY REQUIREMENTS OF OUR SUPPLIER CODE OF CONDUCT INCLUDE:

- Employment is freely chosen
- Freedom of association and the right to collective bargaining are respected
- Working conditions are safe and hygienic
- No child or forced labour used
- Living wages are paid
- Working hours are not excessive
- No discrimination is practised
- Regular employment is provided
- No harsh or inhumane treatment is used
- Environmental stewardship is demonstrated
- Chemicals are managed responsibly
- Animals are treated humanely
- Ethical business standards are upheld
- No subcontracting without the consent of ELK

IMAGE:
Pouring ELK
resin beads
at Zai Design
Hive (formerly
Avatar)



OUR CODE OF
CONDUCT HAS BEEN
SIGNED BY

80%

OF OUR SUPPLIERS.

THIS REPRESENTS
97% OF OUR SPEND
IN 2018.



IN 2018
14
OF OUR 25 SUPPLIERS
FACTORIES WERE
AUDITED.

52%
OF OUR SUPPLIERS ARE
SEDEX MEMBERS.
THIS REPRESENTS
81% OF OUR SPEND
IN 2018.

AUDITS

We use a mix of social compliance audits and certifications to monitor the ethical and environmental practices in our supplier factories to ensure that they meet our standards. Social compliance audits look at the management systems, policies and practices relating to human rights, working hours, wages, health and safety, and business ethics. While we commission audits for some of our factories, many suppliers organize their own annual audits and share the results with us.

Our preferred audit format is SMETA (Sedex Members Ethical Trade Audit), which is based around the ETI Base code, and we engage audit firm SGS to conduct these audits on our behalf. We also require that our audit firm and the individual auditors are members of the Association of Professional Social Compliance Auditors (APSCA).

If any issues are found that require corrective action, we will work with the supplier to ensure they are addressed in a reasonable timeframe relative to the urgency. The audit results inform the timing of any subsequent audits, with some factories requiring a follow-up audit within 6 months, but most are on an annual or biennial audit schedule.

We recognise that while audits and certifications play an important role, they do have their limitations and it is not enough to only focus on compliance. We are committed to working with our suppliers to build their capacity and processes beyond just meeting the audit requirements.



WATER

Water is an essential resource required for creating ELK products, especially for growing the raw materials, and for the wet processes of dyeing, printing and washing. According to World Wildlife Fund it takes around 2,700 litres of water to produce the cotton for a single t-shirt, and life cycle studies have shown it takes around 3,700 litres of water to make a pair of jeans.

The World Economic Forum consistently lists water crises within its top 10 global risks, and global demand is expected to exceed supply by 2030. With the fashion industry being the second largest user of water globally, we know we need to address the critical environmental issues relating to water security and water pollution. Production of crops such as cotton use significant volumes of water, and textile processing accounts for 20% of water pollution in Asia.

Our priority is to map our wet process suppliers — the tanneries, dye houses, printers and laundries that make our product — to understand more about how they manage water so that we can work with them to ensure responsible processes, such as using collected rain water, water purification and recycling and closed loop production systems.

Switching to more sustainable cotton and responsible wool and sourcing from LWG rated tanneries is another way that we can reduce the water footprint of our products and negative impacts on waterways.

The next biggest water impact comes from the washing and care of clothing, so we will share information with our customers about more sustainable clothing care options.

IMAGE:
Washing ELK
beads at
Earth Works



SEDEX

ELK is a member of Sedex, home to one of the world's largest collaborative platforms for buyers, suppliers and auditors to store, share and report on supply chain information. The platform is used by more than 50,000 members in over 150 countries to manage performance around labour rights, health and safety, the environment and business ethics.

Sedex is not a standard setting body and does not approve or certify our policies and standards. Instead, being a member of Sedex allows our suppliers to efficiently share information with us about their ethical and environmental performance and we can use this information to help manage and improve ethical standards within our supply chain.

All ELK suppliers must have current Sedex membership or have verified third-party certification that demonstrates they are meeting our ethical and environmental standards.

ARTISAN MAKERS

Visiting our makers reminds us that it takes hundreds of hands to make our products and that we can change the course of poverty through empowerment and commitment. We work with a broad range of makers across the globe from larger scale operations to cottage industry workshops. In the smaller workshops particularly, we see firsthand the difference and the positive impact of safe, secure and, importantly, consistent work. As ELK grows, we have a responsibility to ensure we continue to support smaller makers and artisans through collaborative design and the promotion of traditional crafts and skills.

Working across so many different categories producing a varied array of products, will always see us working in different regions and different styles of factories. We have recently been in contact with social advocacy organisations to explore areas we could collaborate on to bring new products to market. This would mean we could put people first and create collections that have total transparency with positive impact.

There will be much more to share, and many more products to highlight in coming collections.

LIVING WAGE

"A job should mean that workers are not trapped in a cycle of poverty. The workers, mainly women, making our clothes have a right to be paid a living wage that allows them and their families to afford the basics and have opportunities for decent lives. Everyone is more successful when a living wage is paid. We congratulate ELK for publishing its factory list and making a credible commitment to paying a living wage. This is a great start on their journey to paying a living wage to the workers making their clothes and accessories."

Dr Helen Szoke, Chief Executive, Oxfam Australia

We define a living wage as a wage that is earned in a standard working week of not more than 48 hours, that affords a decent standard of living for the worker and their family. A living wage should cover adequate food, housing, healthcare, clothing, transportation, energy, water, childcare, education and allow for discretionary spending and saving for unexpected events.

One of our key priorities is ensuring that the people who make our products are paid a living wage. While our factories pay legal minimum wage or higher, we recognise that in many parts of the world there is a gap between minimum wage and a living wage. According to Oxfam's What She Makes 2017 report, the minimum wage in India is only 51% of an estimated living wage, and in China this drops to 42% (using the Anker method benchmark). Flow on impacts to workers

and their families include hunger, debt, poor living conditions, and not being able to access healthcare and education. The issues around living wages are complex, and we recognise that achieving them will require collaboration between brands, factory owners, managers, governments, unions and NGOs.

We have commenced a long-term project to benchmark a living wage in our supplier regions and work with our suppliers and other organisations to close any gaps that we identify. We are developing our roadmap in consultation with Oxfam and referencing their 'A Sewing Kit For Living Wages' guidelines.

In addition to defining a living wage, we are also publishing our first-tier supplier list as part of our commitment to transparency.

NEXT STEPS

- Develop and publish our living wage roadmap by end 2019.
- Review and strengthen our purchasing practices, as we recognise the role that responsible purchasing practices can play in supporting living wages by end 2019.
- Ensure there is a robust grievance mechanism in place for workers by 2020.
- Ensure our factories have anti-discrimination policies in place, such as a diversity or gender policy by 2020.
- Develop a guideline for our factories on freedom of association; including on facilitation of union access and ensuring adequate workers' representation in the absence of a union by 2020.

OUR CORE SUPPLIERS

*We have 25 tier 1 suppliers who made product for us in 2018.
The following 18 suppliers represent 93% of our production.*

**CIELO
SERENO**
KOREA/CHINA



**COOL PARTNERS
INTERNATIONAL**
CHINA



**DELUXE TECH
INTERNATIONAL**
CHINA



**DH
SOLUTIONS**
CHINA



**EASTLINK
SALES**
CHINA



**FLUID
CONNECTION**
CHINA



**HOP
HING**
CHINA



**JIMMY
FASHIONS**
CHINA



**WELLSILK
INTERNATIONAL**
CHINA



**B.N.
ENTERPRISES**
INDIA



**BHARAT
ENTERPRISES**
INDIA



**FASHION FACTORY
INTERNATIONAL**
INDIA



**GUPTA
OVERSEAS**
INDIA



**MALHOTRA
LEATHER EXPORTS**
INDIA



**RAJLAKSHMI
COTTON MILLS**
INDIA



**TRITAN
LEATHER WORKS**
INDIA



**EARTH
WORKS**
PHILLIPINES



**ZAI
DESIGN HIVE**
PHILLIPINES



OUR SUPPLIERS



We believe in the value of sharing information about the factories that make our products, as this helps our customers better understand who, how and where their clothes and accessories are made. It also means we can be alerted to any potential environmental and human rights issues by NGOs, unions, local communities or workers and facilitates collaboration on these issues by brands sharing the same factories.

This list represents 100% of our direct ELK product purchases in 2018. Where there are gaps in information, we are either working with the supplier to collect this data or we have ceased working with them for future ranges.

SUPPLIER	FACTORY (F) / ADDRESS (A)	DATE OF LAST AUDIT	TOTAL EMPLOYEES	MALE (M) / FEMALE (F)	SUPPLIER SINCE
CHINA					
Cool Partners International	F: KK Knitting Factory Limited A: Zhen Xin Industrial Zone, Xie Gang Town, Dong Guan City, Guangdong Province	25/09/18	238	M: 96 F: 142	2016
Deluxe Tech International	F: Frankle Shoes Limited A: No.11, Lane 2, New Village Road, Jiaoyuan Hetian Village, Houjie Town, Dongguan City, Guangdong	5/11/18	81	M: 34 F: 47	2015
DH Solutions	F: Pinyin of Hengli Boyi Glasses Factory A: Chegang Village Business Street, Gekeng, Hengli Town, Dongguan City	-	54	M: 30 F: 24	2014
Eastlink Sales	F: Suzhou Yiqun Clothing Factory A: No 169 Shizhong Road, Xukou Town, Wuzhong District, 215156, Suzhou	3/4/18	35	M: 11 F: 24	2011
Fluid Connection	F: Hangzhou FC Fashion Co Ltd A: No.172 Lindong Road, Linping, Yuhang District, Hangzhou	29/8/18	161	M: 65 F: 96	2017
Hop Hing	F: Singtex Fashion Knitting Co., Ltd. A: No.2 Industry Area, Shangkan Village, Changping Town, Dongguan city, Guangdong Province	17/1/18	103	M: 33 F: 70	2007
Macocity Industry	F: Macocity Industry Co., Ltd A: Northern park, Nanhai Economic Development Zone, Shishan Town, Nanhai Area, Foshan City, Guangdong Province	DATA NOT AVAILABLE			2017-2018
Precision Textiles	F: Dongguan Jinhe Garment Factory A: 1B Ying Hu Industrial Area, Qingxi Town, Dongguan City, Guangdong Province	7/5/18	108	M: 56 F: 52	2018
Sourcing Studio (Agent)	A: Chen Wu Bei Village, Changping, Dongguan City, Guangdong Province	13/10/17	163	M: 92 F: 71	2016-2018
Jimmy Fashions	F: Tongxiang Jimmyfashions Co Ltd A: Building A, 89th South Hongshen Road, Fengming District, Tongxiang	25/3/19	68	M: 16 F: 52	2011
Wellsilk International	F: Weisi Garment (Shenzhen) Co., Ltd. Bao'an Factory A: 4/F, Building 7, Hui Ke Industry Park, Shilong Industrial Zone Avenue 2, No. 1, Shiyan, Bao'an, Shenzhen, Guangdong	3/1/19	240	M: 110 F: 130	2014
INDIA					
B.N. Enterprises	F: B.N. Enterprises A: 30-E, Patparganj Village, 110091, Delhi	20/2/18	229	M: 229 F: 0	2010
Bharat Enterprises	F: Bharat Enterprises A: 189, Udyog Vihar, Phase-I, 122016, Gurgaon	22/1/18	572	M: 550 F: 22	2016
Fashion Factory International	F: Fashion Factory Intl -Okhla A: C 68/1 Okhla Industrial Area Phase 2, Okhla, 110020, New Delhi	26/4/18	102	M: 71 F: 31	2013
Gupta Overseas	F: Gupta H.C. Overseas PVT LTD Unit 1 A: 425, Near Tube Well Colony Bye Pass Road, Agra, 282007	24/10/18	1810	M: 1800 F: 10	2015
Malhotra Leather Exports	F: Malhotra Leather Exports Pvt Ltd A: A-24, Sector- 67, Noida, UP	12/12/17	38	M: 35 F: 3	2016
Multiple Exports	F: Multiple Exports A: F-27 Netaji Subhash Marg Daryaganj, Delhi, 110002	DATA NOT AVAILABLE			2015
Punihani International	A: Punihani International F: B-33, Sec 59 Noida (U.p), 201301	27/1/18	181	M: 163 F: 18	2016-2018
Rajlakshmi Cotton Mills	F: The Rajlakshmi Cotton Mills A: C-107, Sector - 65, Noida, 201301	30/11/18	185	M: 154 F: 31	2017
Tritan Leather Works	F: Tritan Leather Works Pvt Ltd A: 44 Anna Salai, Nagalkeni, Chromepet, Chennai, 600044	27/8/18	463	M: 159 F: 304	2016
PHILIPPINES					
Earth Works	F: Earth Works Fashion Accessories Corporation A: P Burgos St, Alang Alang, 6014, Mandaue	7/6/18	36	M: 13 F: 23	2004
Zai Design Hive (formerly Avatar)	F: Zai Design Hive A: Aries Compound, Sangi New Road, Lapu-Lapu City 6015, Cebu	Scheduled for May 2019	22	M: 9 F: 13	2016
KOREA					
Cielo Sereno Company is Korean Factory is based in China	F: Qingdao Quanxumei Jewelry Co., Ltd. A: Former Dongcheng Industrial Park, Jimei Huanxiu Street, Qingdao, 266200, Qingdao Jimo, China	13/12/17	10	M: 5 F: 5	2018
K Inc Company is Korean Factory is based in China	DATA NOT AVAILABLE				2013
AUSTRALIA					
Chillipop	A: 6 Ellerston Avenue, Brookwater QLD 4300	DATA NOT AVAILABLE			2016-2018



EARTH WORKS

TIMBER JEWELLERY

Our sole timber jewellery supplier, based in Cebu in the Philippines, has worked with us since we founded ELK in 2004. This business is owned and operated by an amazing lady, Christine Hamoy-Kintanar, who is a member of the Go Green organisation and assists in the running of numerous, local charitable organisations.

We have a wonderful relationship with this supplier who has become an (unofficial) part of our family. Christine's story is inspirational. As a single mother of four boys she has triumphed at running her own business and at building a successful program to train and educate people from poor areas. This program has provided traditional handicraft skills giving them the techniques and knowledge to work either within her business or with other companies.



MAKERS VALUES

"Our employees and industry partners share our passion and our commitment to work together, honouring values of loyalty, integrity and respect, quality and balance, inspiring socially responsible way of life."
Christine Hamoy-Kintanar, Owner/Director



PEOPLE

Earth Works employs 36 staff who are paid at or above minimum wage. The youngest is 26 years (the legal minimum age is 18). Employees are paid an additional day's wage on their birthday.

Working overtime is voluntary and paid at a higher rate with a paid meal and transport allowance. Safety wear and good quality uniforms are supplied.

Free annual medical check-ups are provided for all employees. On top of the mandatory government insurance the company also supplies additional medical insurance and accident insurance.

Earth Works is a member of Sedex and undertook their first Sedex Members Ethical Trade Audit (SMETA) in 2018.

They invest in children's education in the Cebu area through their support of the Acany's Early Learning Foundation.



ENVIRONMENT

Earth Works is a member of Go Green which is "a sustainable environmental program to revitalize the Philippine ecosystem". All timber materials used are sourced from sustainable plantations accredited by the Department of Environment and Natural Resources (DENR).

The factory is equipped with a waste management system to collect all dust and off-cuts from cutting and polishing plus over spray from painting.

Independent consultants are employed to help reduce water waste and to manage run off and dye waste. Dye waste is collected and disposed of responsibly by government approved providers.

The business is a member of SMART Cebu – a consortium of organisations aiming to "increase the competitiveness of SME's by promoting sustainable consumption and production".



EARTH WORKS PRODUCT LIFECYCLE

IMAGES 1–2 / Trees are planted in a sustainably managed forest in the Phillipines and grown to full size

IMAGE 3 / Timber is responsibly harvested and replenished

IMAGES 4–7 / Jewellery parts are shaped and detailed by hand

IMAGES 8–9 / Beads are washed and air dried

IMAGES 10–11 / Jewellery parts are dyed, waxed and detailed (eg hand painting)

IMAGES 12–14 / Jewellery is assembled

IMAGE 15 / Owner Christine and her team at Earth Works



IMAGE:
Stitching leather at Gutpa



GUPTA

FOOTWEAR

We spent a great deal of time searching for a footwear supplier who we felt had the technical skills as well as the best facilities, business practices and ethics which align with our own. We found the perfect supplier in Agra India, who we have worked closely with for over five years and who now produces most of the ELK footwear.

A family owned business, Gupta opened in 1987. They have a culture of improving themselves and their people and are committed to giving back to their team and community. They are leaders in sustainable and ethical practices with outstanding initiatives.

Their fair manufacturing standards, innovative policies and incredible factory are all examples of their endeavours to produce 100% in-house products in safe conditions and sustainable facilities.



MAKERS VALUES

The company is aware of their social responsibility and believe in the worth and dignity of each and every employee. They are committed to providing safe and healthy working conditions for all employees and ensure compliance at all levels.



PEOPLE

With 3000+ staff across 2 sites, all over 18 years old. The factory making ELK products has 1810 employees and workers are promoted based on qualification and competencies.

Eighty five percent of staff are salaried and fifteen percent are paid per product (with a minimum wage equivalent to an 8 hour work day). A premium of twice the standard rate is paid for voluntary overtime.

They run an in-house Training Institute to provide skills to rural and underprivileged youths to enhance their employability, with a focus on helping people from below the poverty line.

Gupta has SA8000 social accountability certification and as members of Sedex they undertake annual Sedex Members Ethical Trade Audit (SMETA) audits. They have translated the Ethical Trading Initiative Base Code into their local language and provide training in the code to their staff and suppliers.



ENVIRONMENT

A key objective of Gupta is to promote, educate and execute sustainable environment practices and continually improve environmental performance.

Their research and development centre has been designed in line with LEED certification standards and approved by the Green Building Council of India. The building is formed wholly using the earth it was excavated from.

A 250 KW solar power system was installed in March 2011, saving 200 tonnes of CO2 emissions every year.

Water saving initiatives include using waste water in flush and cleaning, and for watering the gardens.

Robust chemical management processes ensure safe conditions in the factory and compliance with the ELK restricted substances list and local and global regulations. Chemical waste is sorted and segregated and is disposed of responsibly through a government approved vendor.



TRITAN

LEATHER GOODS

We work with several leather makers at ELK, choosing each for their specialty skills and credentials. Tritan have worked closely with us to produce a natural–look finish that has become our signature. This family owned business, established in Chennai India in 1997, is run by a team of leather craftsmen who are passionate about high quality products made using traditional skills.

This impressive factory has thorough reporting and planning and they constantly strive to improve the living standards of all their employees.



MAKERS VALUES

“We educate all our employees on health, hygiene, financial literacy and legal rights. Special attention is paid to women and their socio–economic and health issues. We promote gender equality.”

Tritan Managing Director



PEOPLE

As members of Sedex they undertake an annual Sedex Members Ethical Trade Audit (SMETA). Their latest audit found only two minor issues which were addressed immediately.

The company employs approximately 2,500 people over five sites, all over the minimum legal age (18 years). There is a worker committee onsite to represent the employees.

The factory that makes ELK product employs 463 people, including 304 (65%) female employees, and pays equal pay rates for equal work. All employees are on a salary and are paid the legal minimum or higher, with voluntary overtime paid at twice the standard rate.

Employees are provided with a range of additional benefits, including a free transport service to the employees or travel allowance, 8 educational scholarships awarded each year, weekly health clinics, a 12% annual bonus and an additional bonus for full attendance, as well as access to a psychologist.



ENVIRONMENT

The company is broadly focusing on five key environmental areas including energy management, waste management, water management, light management and an environmental awareness program.

The building designs have been considered for energy conservation and older buildings have been modified and improved to be better for the environment.

The factory is positioned in an industrial area where raw materials are easily available to decrease transport impacts.

The site has exceptional water management facilities and harvests rain water. Only clean drinking water is brought in.

Every aspect of consumption has been analysed and charted with goals and commitments for improvements placed against each element.

All scrap leather is used, re–purposed or on–sold for use in different applications such as reconstituted leather boards and wrist bands, ensuring there is no leather waste.





RAJLAKSHMI COTTON MILLS

ORGANIC COTTON

Our aim is to work with vertically integrated suppliers and after many years of searching we were thrilled to commence working with the team at The Rajlakshmi Cotton Mills. Located in Kolkata India, this inspirational company founded in 1934 are pioneers in the development and manufacturing of fair trade, organic cotton apparel. Their founders and leadership team have environmental sustainability and respect for their employees at front of mind.



MAKERS VALUES

"At RCM, we take great pride in the quality of our relationships with farmers, suppliers and partners, as well as the attention given to the social and economic welfare of our workers. We always wanted to make product in an ethical and fair trade way where all workers will be respected. We focus on good working conditions, sound living standards and fair pay for the workers."

Rajat Jipuria, Owner/Director



PEOPLE

RCM operates 6 factories employing around 2,500 workers specialising in woven and knitted textiles. They ensure that workers' rights are respected through minimum wage and maximum working hours compliance, overtime compensation and ensuring no child or forced labour.

All workers have rights to Freedom of Association and RCM has taken a positive stance towards unions and workers represented by the Centre of Indian Trade Unions (CITU).

RCM workers rely on their jobs to better their living conditions, particularly concerning health, education and housing and RCM takes this responsibility seriously.

RCM is SA8000, Fairtrade and GOTS organic certified, the management and staff collaborate with a local NGO to calculate a living wage for employees every six months.



ENVIRONMENT

RCM uses only GOTS certified cotton sourced from Chetna Organic; a farmer-run cooperative of over 35,000 farmers. They "work with small and marginal farmers towards improving their livelihood options and making farming a sustainable and profitable occupation".

All cotton is rain fed, organically farmed and GM free. Crops are harvested by hand and strict land management plans are implemented to eliminate the use of chemicals harmful to workers and the environment.

Blended fibres are only ever mixed with other sustainable yarns to preserve the eco-friendly profile.

Dyeing is conducted in house using a unique 6 stage effluent treatment process. Waste water and dye is collected from this process, sludge is converted to fertiliser and other waste is disposed of through an authorised state-run facility.





IMAGE:
Still of cotton production at
Rajlakshmi Cotton Mills taken
from their brand video



IMAGE: Marnie speaking on the panel at 'Where Do My Clothes Come From', Melbourne Fashion Week 2018, pictured with Caleb Bjorem from Outland Denim

INDUSTRY ACTIVE

Collaboration is key to finding solutions and to driving change. It is about sharing resources and knowledge in what can be a difficult area to navigate. ELK and many of our counterparts are small compared to many international brands and we have to work together as an industry to find solutions, lobby government for change and access resources.

We are an active participant in many industry bodies where the opportunity to share and learn amongst our peers and our broader audience is vital. We are proud to be a founding member, along with eight other brands, of the Australian Fashion Council's small brands Ethical Fashion Brands Alliance, with the stated purpose of being "an alliance of apparel brands, retailers and fashion industry bodies influencing positive change in social and environmental conditions where products are made."

We are also an active member of the Revamp Network, created by Australia Post as "a cross-sector collaboration focused on accelerating circular business opportunities and outcomes".

As a proactive voice championing change, we are leading by example and finding ways to connect with the right people who can assist us on our journey.



Small identification tag attached to the dog's collar, featuring a logo and some text.

ELK
x
Guide
Dogs
Logo of a dog

ELK

COMMUNITY



As part of our philosophy to ensure our business has a positive social impact, we have partnered with some inspirational local and international organisations.

ONGOING PARTNERSHIPS

UNICEF

We are proud to be a UNICEF Platinum Champion for Children. In partnership with our generous customers, we have raised over \$200,000 for UNICEF since 2011, by matching the donations made by our customers when purchasing online and in our retail stores. These funds support programs globally that protect vulnerable children and promote children's rights.

FITTED FOR WORK

We have partnered with Fitted For Work, to provide outfits for women facing adversity. Their stated mission is "to help women experiencing adversity break through barriers to get and keep work." They further state "For many women, the first step to getting work is simply having a suitable outfit to wear to interviews. This program aims to help women experiencing disadvantage secure sustainable employment".

GUIDE DOGS AUSTRALIA

We are proud to support Guide Dogs Australia through a creative partnership launched in 2017. We designed classic, handcrafted, high quality durable leather collars and leads with 100% of the profits from the sale of these designs to be donated to Guide Dogs Australia. These funds will go towards special projects and ongoing resources in support of the inspiring and vital work Guide Dogs Australia does for people with low vision or blindness.

BOOMERANG BAGS

We support Boomerang Bags with regular fabric donations to create their recycled and reusable bags.

STARLIGHT CHILDREN'S FOUNDATION

We donate beads from our samples and from any returned items that can not be repaired to Starlight Children's Foundation for ELK initiated craft projects at the Royal Children's Hospital.



CHAMPION FOR CHILDREN

This certificate is hereby presented to

ELK THE LABEL

Your generous contribution as a Champion for Children will help UNICEF improve the lives of Children worldwide. UNICEF's mission is to advocate for the protection of children's rights, to help meet their basic needs and to expand their opportunities to reach their full potential.

On behalf of the children whom you have helped us reach, we say thank you.

A handwritten signature in black ink that reads "Tony Stuart".

TONY STUART
CHIEF EXECUTIVE OFFICER



FUNDRAISING EVENTS

TAKE 3

As part of our environmental and community focus, we presented a screening of Blue the film with proceeds going to charity organisation Take 3. With the mantra "Take 3 for the Sea" they encourage people to pick up at least three pieces of rubbish when they are outside, whether it be at the beach, a park or simply walking around your local neighbourhood.

STEPHANIE ALEXANDER KITCHEN GARDEN FOUNDATION

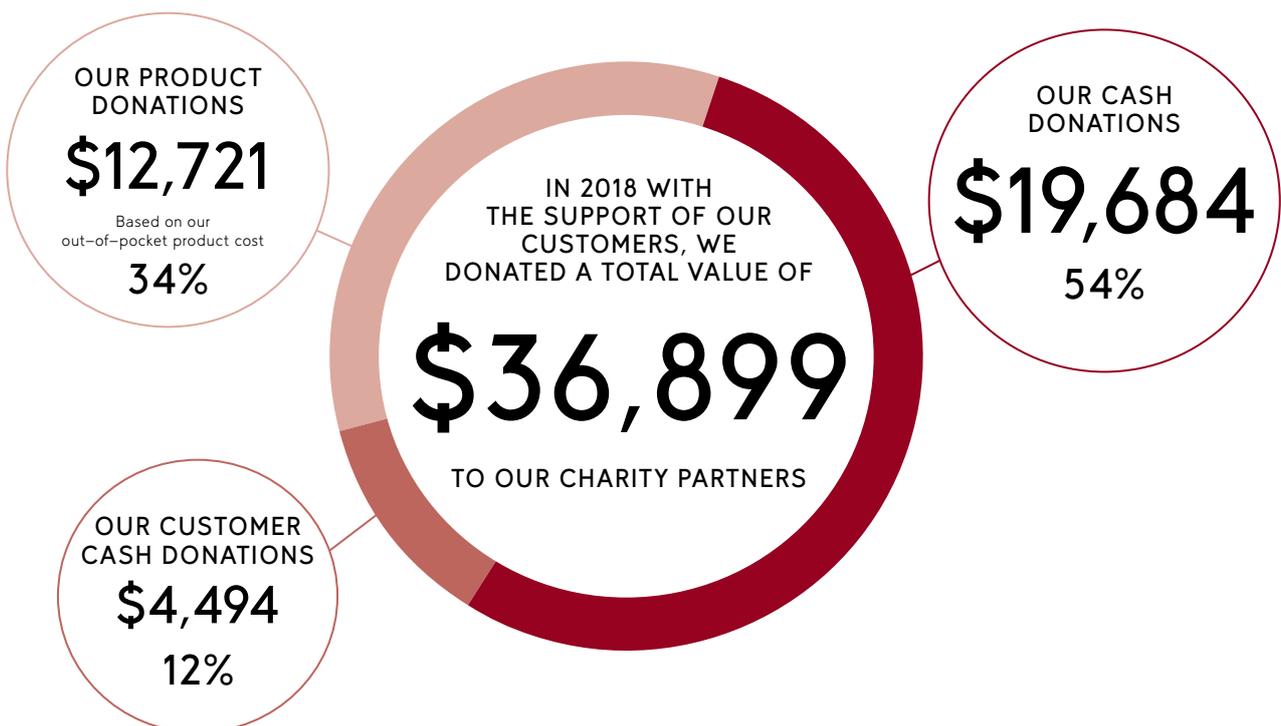
In November 2018 we participated in the Stonefields Open Garden. All proceeds from tickets to the event and 30% of the profits from ELK products sold there went directly to the Stephanie Alexander Kitchen Garden Foundation. Our relationship with the Foundation is ongoing.

SLEEPBUS

In October 2018 as part of our warehouse sale, we trialled the ELK Vintage concept. Funds raised from this sale plus additional donations at checkout went directly to Sleepbus. We are expanding the ELK Vintage program in 2019 and will continue to support Sleepbus.

LOCAL COMMUNITY INITIATIVES

We have enormous respect for the efforts of local public schools, kindergartens and community groups who raise funds to operate and improve their facilities and programs. We donate around 200 items a year to these local community initiatives.



THE JOURNEY CONTINUES



Writing this report does not mean we think we have everything sorted. It is intended to be an illustration of our journey. A summary of what we have done and what we need to do next. Critical to us achieving our mission is the to do list, the what is next, and the what can be better.

We are learning everyday. Whilst we are celebrating wins we are also making discoveries that lead us further down what sometimes seems to be a maze of information and uncertainty. But we will push on because we have the will and the passion to make ELK a better business creating better product. We want to be leaders in an industry where waste and pollution is rife. We want to prove to ourselves, if no one else, that we can produce fashion without leaving the footprint that it currently leaves.

It is going to take time and there will be many more twists along the road. We will continue to ask the hard questions and face up to things even when we don't like the answers. And we will make the changes that we have to make.

Because there is so much at stake in the name of fashion. The future of our business, of our children, and of our planet. And that can not continue.

This report is our commitment to what we know has to change. It's a record of our wins and of the areas we need to improve. And it is a road map that will guide us at what is the beginning of a very long and very critical journey.

Marnie Goding and Erika Martin

We welcome questions, feedback and discussion.
Please contact Erika or Marnie at any time via email at
transparency@elkthelabel.com

Let's share in this journey together.



ELK
ORGANIC

ELK
ORGANIC

ELK
SUSTAINABLE

ELK
FINEDIELE

ELK
WATERPROOF



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ELK